

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

No. 30,859

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PARIS, SATURDAY-SUNDAY, MAY 8-9, 1982

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Britain Extends War Zone Close to Argentina Warns That Any Military Craft Within Area Risks Hostile Action

From Agency Dispatches

LONDON — Britain declared Friday that "any Argentine warship or military aircraft" found more than 12 nautical miles from the Argentine mainland will be regarded as hostile and "dealt with accordingly."

The Defense Ministry declaration, which extends Britain's 200-mile (320-kilometer) zone around the Falkland Islands, goes into effect immediately.

Argentina denounced the extension of Britain's blockade around the Falkland Islands Friday as an act of aggression and informed the UN Security Council that it deserved its right to act in self-defense.

The note, conveyed to the Security Council by Argentine Ambassador Eduardo Roca, emphasized that Britain was still insisting on a military solution to the conflict.

The new measure represents a hardening of Britain's military posture over the islands, which were seized by Argentine forces on April 2. The Falklands lie about 400 miles east of the Argentine coast.

The announcement came three days after the 3,500-ton British destroyer Sheffield was crippled by a French-built Exocet missile fired from a mainland-based Argentine plane.

In Washington, President Reagan expressed concern over the Defense Ministry declaration. "I don't want violence to break out again," the president told reporters.

The Defense Ministry said meanwhile that the two Harrier jet fighters that Britain lost Thursday went down in bad weather. The ministry said there was no evidence that they were

shot down. Royal Navy helicopters have abandoned the search for the jets, a ministry spokesman said.

The ministry said Friday that there had been no reports of fighting in the South Atlantic in the self-defense of British ships and aircraft engaged in operations and in resupplying and reinforcing British forces."

Reagan Concerned

"Because of the proximity of Argentine bases and the distance that hostile forces can cover undetected, particularly at night and in bad weather, the government warns that any Argentine warship or military aircraft which is

found more than 12 nautical miles from the Argentine coast will be regarded as hostile and is liable to be dealt with accordingly."

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The ministry said Friday that there had been no reports of fighting in the South Atlantic in the previous 24 hours.

The Harrier pilots, presumed dead, were identified as Lt. Cmdr. John E. Eytom-Jones, 39, and Lt. William Curtis, 35.

The loss of the Harriers seriously reduced the air cover of the fleet, which now has 17 Harriers, outnumbered more than 8 to 1 by Argentine fighters.

In Brussels, senior NATO officers privately agreed that lack of air power could prevent a British victory.

Twenty more Harriers are on a requisitioned British ship heading south with other support vessels. The Defense Ministry spokesman said several of these Harriers had been fitted en route with anti-aircraft Sidewinder missiles.

Cabinet Meets

The ministry also announced that Nimrod early warning aircraft would be sent to the South Atlantic soon to reinforce the task force.

Mr. Pym denied that the loss of the Sheffield and three Harriers — one was shot down Tuesday — undermined Britain's military options.

In his statement to Parliament, Mr. Pym ruled out an unconditional cease-fire. He said a cease-fire had to be firmly linked to the beginning of an Argentine withdrawal from the Falklands.

Prime Minister Margaret Thatcher's Cabinet met before and after Mr. Pym made his statement Friday to consider Britain's diplomatic and military options following the collapse of a Peruvian-U.S. peace initiative. Government sources said the ministers were in a grim mood.

Mr. Pym told Parliament that "if all endeavors to meet a sensible, reasonable and fair settlement fail, then regrettably nobody is in any doubt what we are going to do — we cannot allow the occupation of our islands to continue."

He blamed Argentina's insistence on sovereignty over the Falklands for the collapse of the Peruvian peace plan, which he claimed could have brought a cease-fire by Friday afternoon.

He said Britain was pursuing the only surviving diplomatic option, a United Nations plan that he described as having a "similar basis" to the Peruvian proposals, which were drafted with the help of U.S. Secretary of State Alexander M. Haig Jr.

"The Argentine government claims to have accepted" the UN proposal made by Secretary-General Javier Pérez de Cuellar, he said. "We are skeptical of this claim."

He said the UN plan included the following elements:

- Complete supervised withdrawal of Argentine forces from the Falklands, matched by withdrawal of British forces.
- An immediate cease-fire as soon as Ar-

gentina accepted the agreement and agreed to withdraw.

- Appointment of a small group of commissioners acceptable to both sides, that would supervise withdrawal, undertake an interim administration in consultation with the islanders' elected representatives, and perhaps help in negotiations for a definitive agreement on the status of the islands.

- Suspension of the British blockade and the lifting of economic sanctions.

Meanwhile, in Washington, the United States blamed Argentina Friday for the failure of the U.S.-Peruvian peace initiative.

Although State Department spokesman Edward F. Fischer refused to declare the proposal dead, he said that the focus of the negotiations had moved to the United Nations and Mr. Pérez de Cuellar's plan.

Mr. Fischer confirmed that Mr. Haig and Peruvian President Fernando Belaúnde Terry had been engaged in "vigorous" consultations to put together a plan to end the fighting.

"Britain was prepared to accept the plan. Unfortunately Argentina was not," Mr. Fischer said. "We continue to believe Security Council Resolution 502 forms the basis for peace in the South Atlantic. The United States remains ready to play an active role."

However, Argentine officials said that their government had decided not to take part in any U.S.-sponsored negotiations, because of last week's statement by Mr. Haig that threw U.S. support, which may include material, to the British.

Mr. Reagan said Thursday, "We're open to every approach" and added that U.S. attempts to mediate the dispute have been based on the Security Council resolution, which calls for withdrawal of all forces and a negotiated settlement. "So far, there has not been an agreement on that," Mr. Reagan said.

He said he considered it highly unlikely that the undeclared war would spark the direct involvement of the United States and the Soviet Union.

In Lima, Peruvian Premier Manuel Ulloa blamed Britain for the failure of U.S.-Peruvian proposals aimed at solving the crisis.

Mr. Ulloa said at a press conference that by sinking the Argentine cruiser General Belgrano Britain had forced Argentina to stop considering the proposals.

"Faced with this serious aggression, Argentina could not continue to consider formulas of understanding and conciliation," he said.

West German-Italian Appeal

HAMBURG (Reuters) — West Germany and Italy appealed Friday for an immediate cease-fire in the Falklands conflict and renewed their support for Britain. The call came in a joint statement after four hours of talks here between Chancellor Helmut Schmidt and Italian Premier Giovanni Spadolini.

They urged a withdrawal of both sides' armed forces and implementation of the UN Security Council resolution.

Reagan Will Offer Radically Different Arms Talks Plan

By Rudy Abramson
Los Angeles Times Service

WASHINGTON — The Reagan administration is preparing to offer the Soviet Union a drastically overhauled plan for strategic arms reduction, based on the "combat potential" of nuclear weapons systems rather than equal numbers of long-range missiles and bombers.

Administration sources said that the plan would depict significantly from past negotiating strategies, calling for much deeper cuts than those agreed to in the second strategic arms limitation treaty in 1979. The treaty was never ratified by the U.S. Senate.

The sources said that the proposal would focus heavily on reducing the large silo-busting missiles, increasingly vulnerable to attack and considered especially dangerous because they increase the risk of a pre-emptive nuclear first strike.

President Reagan is expected to announce his approval of the plan before the end of the month and to invite the Soviet Union to begin negotiations this summer. He will discuss strategic arms talks in a speech in Illinois on Sunday, the White House said on Friday, but it added that it was unlikely he would make specific proposals because many important policy decisions had not been made. The U.S. proposal may ask for reductions of as much as 50 percent in the two countries' land-based intercontinental missile forces, with the reduction calculated from the administration's formula for arriving at destructive power.

Security Council

Twice in recent days, Mr. Reagan has met with the National Security Council, trying to resolve stubborn technical differences on elements of the administration's plan between the Defense Department, the State Department, the Joint Chiefs of Staff and the Arms Control and Disarmament Agency. Administration sources said that the president was expected to make a decision on remaining differences after a final National Security Council meeting.

Earlier it had been expected that the president would announce the United States' readiness to resume strategic arms talks with the Russians when he addressed a UN disarmament session in June. But administration sources said that they expected the schedule to be accelerated in part because nuclear weapons have become an intense political issue.

Congressional sources said they believed that the timing had been advanced because of the nuclear freeze movement and the proliferation of proposals for arms control.

Soon to come up for congressional consideration are resolutions calling for an immediate freeze on production and deployment of nuclear arms and proposals to reconsider the SALT-2 treaty, which was put aside without coming to a Senate ratification vote.

Reagan Pledge

Last November, at the same time that he offered to cancel U.S. deployment of new nuclear missiles in Europe in exchange for Soviet dismantling of intermediate-range missiles aimed at Western Europe, Mr. Reagan announced that the United States would also push for "substantial reductions in our strategic arsenals." To emphasize his point, he gave the negotiations a new name. The deliberations known as SALT would become START (Strategic Arms Reduction Talks).

In recent months, the administration's interagency task force on START has struggled primarily to find a formula for assessing the "combat potential" or destructive

(Continued on Page 3, Col. 4)



Argentine soldiers walked around the airport at Stanley in the Falklands after the British bombed the area. The photograph was made available on Friday in Buenos Aires, but no date was indicated.

Bush Tells Chinese of U.S. Hopes To 'Bridge Differences' on Taiwan

By Michael Weisskopf
Washington Post Service

PEKING — U.S. Vice President Bush said Friday night that the Reagan administration hopes to "bridge differences" with China over U.S. arms sales to Taiwan and strengthen the currently stalled strategic partnership against the Soviet Union.

But Chinese leaders, responding coolly to Mr. Bush on his first day to reassert their demands for the return of Hong Kong, stressed that prospects for strategic cooperation are dimmed by continued U.S. military supplies to Taiwan, which China considers a breakaway island.

The degree of strain in the once-touted Chinese-U.S. relationship was evident in the businesslike reception of Mr. Bush, the highest-ranking U.S. official to visit China since Vice President Walter F. Mondale's trip in 1979.

Earlier Friday, Mr. Bush's first round of talks with Chinese Foreign

Minister Huang Hua was described as "frank and candid," a statement that suggested wide differences on the Taiwan arms sales issue, which has soured relations over the last few months.

Mr. Bush, speaking at a welcoming banquet, sought Friday night to reassure his hosts that the administration does not intend — as Peking claims — to keep Taiwan separate from the mainland by continuing to supply arms to Taipei.

The United States acknowledges the Chinese position that there is but one China and Taiwan is part of China. Mr. Bush declared at the Great Hall of the People: "We respect China's sovereignty and territorial integrity."

Mr. Bush noted the administration's desire to build an "adversarial relationship" with China. He emphasized the common interest and responsibility that he said both nations had in blocking "blatant expansionism" of the Soviet Union.

(Continued on Page 2, Col. 5)

million tons in 1981, even though the country's cows increased by 1 million. This happened because the amount of milk that an average cow gave dropped by 15 percent due to shortages of hay, silage and feed grain.

Similarly, meat production also declined slightly, from 15.5 million tons to 15.2 million tons, at a time when a state goal of Soviet President Leonid I. Brezhnev was to put more meat on the table.

So disappointing was last year's grain harvest that the Kremlin has yet to announce a final estimate of its size, but authorities in the Ukraine are threatening villagers with stiff fines and prison terms for feeding bread and cereals to livestock.

Turning to the West

The Soviet Union has turned heavily to the West for food. Last year such imports cost an estimated \$14.4 billion, or about half of all the convertible currency earned from selling oil, gas, machinery and arms to the rest of the world.

Between 1978 and 1981, meat imports climbed from 61,000 tons to 980,000 tons. Grain imports are running near the 42-million-ton yearly maximum for Soviet ports. Grain trade sources in the United States say the Soviet Union this year is seeking short-term financing of grain imports for the first time in many years.

Argentina supplies about a third of the Soviet Union's imports of wheat, corn and sorghum, and annually ships 100,000 tons of meat, primarily for sausage. Any disruption of this supply by the present confrontation between Britain and Argentina could force the Soviet Union to rely more heavily on the United States.

The shortages have forced many urban consumers to turn to the market where they can buy produce grown on the private plots of collective farmers. About 30 percent of all the meat and milk and 60 percent of the vegetables and potatoes are produced on these plots. However, much of the best produce from the collective farms never reaches the urban market, but is sold on the vast Soviet black market.

INSIDE

Budget Cuts

The Reagan budget compromise proposes even deeper cuts in domestic spending. An analysis, Page 3.

Sight Saver

A new laser procedure has proved so effective against a leading cause of blindness that America's National Eye Institute is urging patients to seek immediate treatment. Page 5.

In the Air

Tennis balls, beanbags, dishes and pins whirl through the air and land, often as not, with a thud at the Pineapple Dance Center in London, where closet jugglers come out to polish their art socially. Page 7W.

Latin Banking

A supplement on development banking in Latin America appears on Pages 11S-13S.

Unemployment in U.S. Soars to 10.3 Million

By Caroline Atkinson
Washington Post Service

WASHINGTON — The U.S. unemployment rate soared to a new record for the period after World War II — 9.4 percent last month, after seasonal adjustment, representing a drop of 1.5 million since the recession began in July.

Black unemployment also climbed to a peak of 18.4 percent, the Labor Department said.

Meanwhile, labor leaders called on Congress Friday to scrap President Reagan's economic program.

A key Democrat in Congress called his policies "wicked," according to the United Press International.

The government's announcement caused a wave of angry reaction among the ranks of organized labor and Democratic politicians — all aimed at the president. "Mr. Reagan's policies aren't just mistaken, they are wicked," said Rep. Henry S. Reuss, Democrat of Wisconsin, chairman of the Joint Economic Committee.

"We remain sensitive to the plight of the unemployed," Larry M. Speakes, the White House spokesman said. He added that the administration still predicted an economic upturn by late spring or early summer.

Some economists warned that the jobless rate may rise still higher in coming months, even if the recession ends soon. The Business Council, a group of 200 top business leaders, said Thursday that while their members believe the recession is now ending, they expect only a sharp recovery this year.

In March, the unemployment rate was 9 percent, matching the previous high of May, 1975. The rate last month was the highest since the 9.9 percent recorded for 1941, at the end of the Depression.

The rise last month affected most groups in the economy. The jobless rate for adult men rose from 7.9 percent in March to a postwar record of 8.2 percent.

The number of Americans at work shrank again last month as the jobless rate climbed. Friday's Labor report said total employment was 93.3 million last month, after seasonal adjustment, representing a drop of 1.5 million since the recession began in July.

Blue-collar workers were hit hardest last month when their jobless rate climbed to a record 13.7 percent, the report said. Outbacks in construction and manufacturing accounted for most of the 200,000 decline in industrial employment which was recorded last month.

High interest rates which persisted despite the economic slowdown have particularly hurt the credit-sensitive housing, auto and durable goods industries. In the last year, nearly one in 10 construction jobs have been lost.

In several manufacturing industries last month "the number of payroll employees was below the level reached at the trough of the 1975 recession," BLS Commissioner Janet Norwood said Friday.

Vote Is Seen As Approval For Suharto

No Policy Changes Expected in Indonesia

By Kenneth L. Whiting
The Associated Press

JAKARTA — No changes in key policies or personalities were expected after a general election that left Indonesia's political scene looking much the same as before the polls opened Tuesday.

Analysts interpreted the results of the fourth election here in 37 years as a simple vote of confidence in President Suharto, neither glowing tribute nor begrimed approval.

With 74,218,463 or 90 percent of the 82,132,293 of the eligible votes cast counted by Friday, the military-backed government party, Golkar, had won 47,459,977 votes. The Moslem-supported United Development Party had 20,829,997. And the non-Moslem Indonesian Democratic Party had 5,928,489 votes.

Golkar Wins 63%

Golkar captured more than 63 percent of the vote, compared with 62.1 percent in 26 of Indonesia's 27 provinces. Only devoutly Moslem Aceh on the far northern tip of Sumatra went for the United Development Party.

Golkar does not function as a political party except as the civilian face of the armed forces at election time. The name is an acronym for Golongan Karya or "functional group," a catch-all for more than 200 bodies of civil servants and civic leaders.

Parliament is relatively weak and real power has been in the hands of the generals since they thwarted a Communist coup attempt in 1965.

The polling was regarded by most analysts as an important popularity test for President Suharto's 16-year-old administration, particularly its efforts to narrow the gap between the rich and poor.

While no major policy changes are expected, the election results seem likely to influence the kind of agenda President Suharto follows in his fourth term.

The administration is expected to hold steady on its course of rapid modernization and an economic development plan that mixes capitalism and Socialism. It seems certain to continue to favor foreign



President Suharto

investment and international trade to help industry develop.

In the last few years, the government has moved to take over many long-standing issues that have provided ammunition for its critics. It faced up to complaints of internal corruption, inequitable distribution of wealth and neo-colonialism through foreign domination of parts of the private sector.

Critics reject the changes as mere window dressing for continuation of the same old military rule, albeit by retired generals. There are signs, however, that the administration wants to convince the nation that it is both representative and responsive to the people's needs.

President Suharto can claim some solid achievements: in economic development, in family planning and in making the country virtually self-sufficient in rice, the staple food.

Newspaper Is Banned

JAKARTA (AP) — The Moslem daily newspaper Peltia, which tripled its circulation to 125,000 during the Indonesian election campaign, was banned Friday for what government officials described as negative reporting on the May 4 general elections.

The ban followed Peltia's report of alleged fraud and double counting, which it said led to the overwhelming victory of the military-backed Golkar Party.

Armenian to Be Tried In U.S. Killing of Turk

United Press International

LOS ANGELES — A young Armenian immigrant from Lebanon has been ordered to stand trial in the assassination of a Turkish diplomat early this year.

Hanip Sassounian, 19, could face the death penalty if convicted of the first-degree murder of Turkish Consul-General Kemal Arslan, because of the special allegation that the victim was killed because of his nationality.

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Tories Gain Seats in U.K. By-Elections

Strong Showing Tied To Falklands Crisis

By William Borders
New York Times Service

LONDON — Prime Minister Margaret Thatcher's Conservative Party made an extremely strong showing in local government elections that were widely interpreted as a kind of referendum on her conduct in the Falkland Islands crisis.

[According to a BBC computer projection early Friday, the Conservatives had 39 percent of the vote, Labor had 32 percent, the alliance of Liberals and Social Democrats had 26 percent, and independents 3 percent, the United Press International reported.]

The Labor Party was shocked to lose control of the city council in Birmingham, Britain's second largest city, where high unemployment had been expected to hurt the government. Of the 117 seats there, the Conservatives won 60, Labor 50, and the Liberals 4. Three others were still undecided.

Although the 4,800 local contests, scattered across England and Scotland, had nothing to do with the Falklands, the crisis has been dominating many aspects of British life.

Lower Than Predictions

"These were not elections fought on issues like bus fares or social services, as they should have been," said Ken Livingston, a Labor member who heads the Greater London Council. "Naturally, the war was the first thing on everyone's minds."

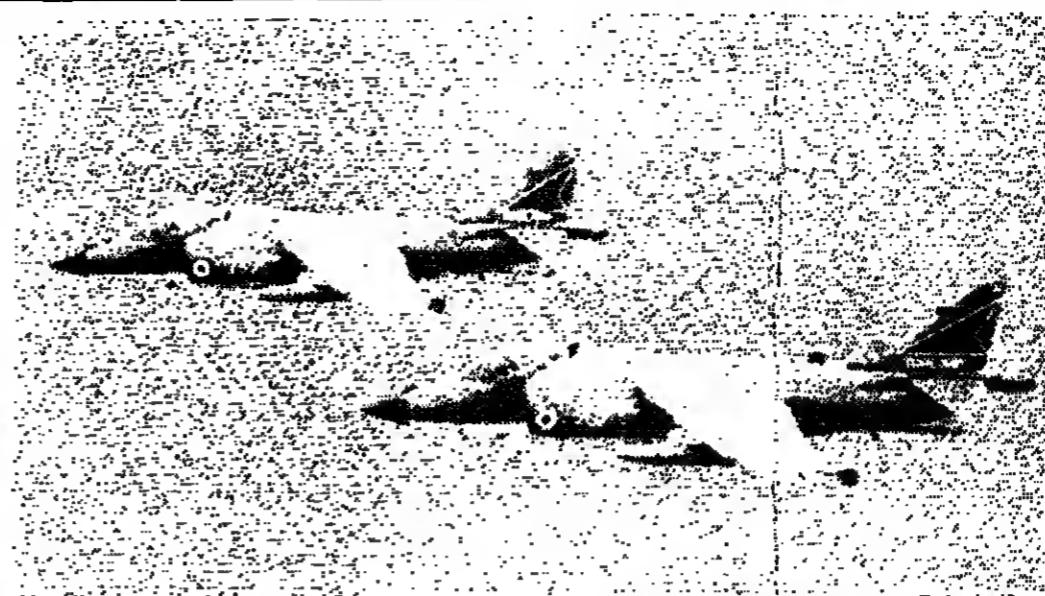
The Social Democrats and Liberals did less well than opinion polls had been predicting before the Falklands crisis pushed their new centrist alliance off the front pages.

At stake in the voting were seats in the 32 London boroughs, the 36 English metropolitan areas outside of London, 103 rural districts in England and 12 regional authorities in Scotland.

The BBC devised a method in which results from 10 areas were projected nationally and compared with the results of the general election in which the Conservatives came to power three years ago. On the basis of that projection, the network said that if a parliamentary election were held today, the Conservatives might expect to win 315 seats, Labor 266, the Liberal-Social Democratic alliance 41, and others 13.

Although lower than Mrs. Thatcher's present strength of 334 seats, it would be, if sustained in the complete returns, the strongest showing that a ruling party has made in mid-term local elections in decades.

Argentina has no official relations with the PLO. Mr. Antonio, who said his father was Syrian and his mother Lebanese, said he had met Mr. Arafat previously.



Two Royal Navy Sea Harriers similar to those in this file photograph were reported lost in bad weather by the British Defense Ministry. It added that their pilots were presumed to be dead.

Plan Called Positive Move

(Continued from Page 1)

take place, the Argentine government would be willing to more than accommodate the interests of the approximately 1,800 islanders of British descent.

In Geneva, meanwhile, Argentina accused the European Economic Community on Friday of violating international trade rules by imposing sanctions against Argentine goods over the Falklands conflict.

Gabriel O. Martinez, the Argentine ambassador in Geneva, made the charge at a closed-door council meeting of the General Agreement on Tariffs and Trade. EEC representatives rejected the Argentine position, GATT officials said.

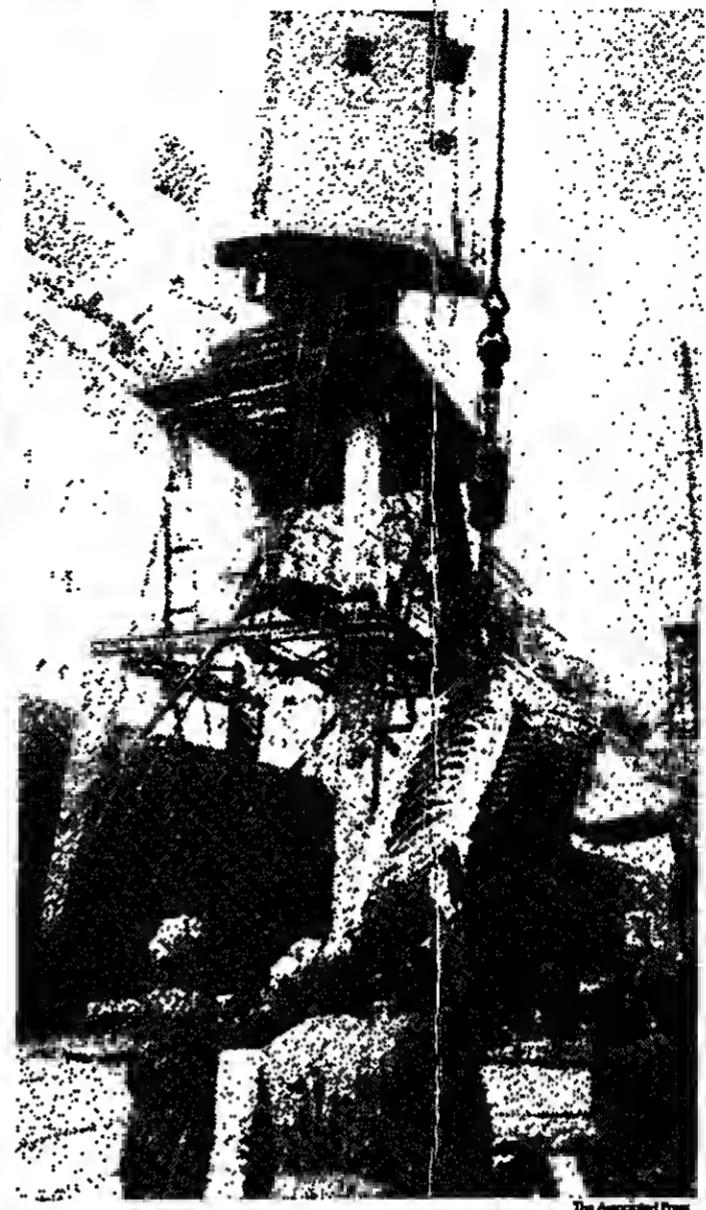
Argentine Envoy, Arafat Confer

BEIRUT (AP) — An Argentine envoy left Beirut Friday after talks with Palestine Liberation Organization leader Yasir Arafat in what the envoy said was an effort to seek PLO help to promote trade with Arab countries.

"With the boycott of Argentine goods by the European community and the United States, Argentina needs to sell its products and Mr. Arafat will make contacts with Arab countries to help Argentina sell more," said Jorge Antonio, an Argentine businessman, at the airport shortly before leaving the Lebanese capital.

He was referring to an economic boycott imposed by members of the European Economic Community and the United States. Much of Argentina's beef and grain exports go to the Soviet Union.

Argentina has no official relations with the PLO. Mr. Antonio, who said his father was Syrian and his mother Lebanese, said he had met Mr. Arafat previously.



LINER UNLOADED — Dockworkers at Southampton unload furniture from the luxury liner Queen Elizabeth 2 to prepare it for sailing as a troop carrier for the Falklands.

Bush Tells China U.S. Aims To Ease Dispute on Taiwan

(Continued from Page 1)

sincere" dialogue to resolve the arms question "in compliance with the principle" that there only is one China.

China is calling for a gradual phasing out of U.S. arms sales to Taiwan and a deadline for a complete halt, claiming that the military supplies keep Taipei's leaders from considering mainland proposals for reunification.

Negotiations since November are said to have founders on the issue of timing. The United States claims that it has a legal obligation

to provide for the defense of Taiwan, a U.S. ally until Washington shifted recognition to Peking in 1979.

Unlike Mr. Bush, Mr. Zhao confined his banquet remarks to bilateral relations, reflecting the Chinese position that it will withhold the benefits of strategic cooperation if the arms issue goes unresolved.

Peking already has begun to distance itself from Washington on other international issues, including the Falklands, and has moved closer recently to the Third World.

Rhetorical attacks against the United States have intensified since the administration, defying Chinese threats, asked Congress last month to approve \$60 million in military spare parts for Taiwan.

Peking responded with a mild protest, but said that it would accept the deal on assurances from the United States that it had been negotiated with Taiwan before Chinese-U.S. talks on the subject began, that it involved no weapons and that Washington would put off new arms sales while talks with Peking continued.

Mr. Bush, who arrived in China Wednesday for a five-day visit, spent two hours earlier Friday in discussions with Foreign Minister Huang that were dominated by the Taiwan issue, according to a U.S. spokesman.

Assistant Secretary of State John H. Holdridge, who accompanied Mr. Bush on the visit, said the vice president emphasized Mr. Reagan's commitment to the policy of one China as the basis for bilateral relations.

"The fact that the vice president has conveyed this personal message from President Reagan to the Chinese leadership is extremely important," Mr. Holdridge said. "It's very important to reiterate that this comes straight from the top. This adds to the authoritativeness of the statement."

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WORLD NEWS BRIEFS

Compiled From Agency Dispatches

Iran Claims Breakthrough to Border

BEIRUT — Iranian troops breached three Iraqi defense lines in Khuzestan on Friday to reach the Iraqi border for the first time since the two nations went to war 19 months ago, Iran announced.

The Iraqi military command admitted that Iranian forces had mounted a "fresh offensive" on all areas of operation at the southern sector of the war front. But an Iraqi communiqué claimed that the Iranian attack was "contained." It said that "fierce fighting is raging with all kinds of weapons and planes."

The Iraqi claims, reported by the state-run media of the two countries, could not be independently verified. Both Iraq and Iran have banned regular reporting by foreign journalists from the 300-mile (480-kilometer) battlefront.

Mexico to Investigate CIA Activities

MEXICO CITY — A special committee of the Mexican Congress is undertaking a closed-door investigation into CIA activities in Mexico, prompted by allegations that Miguel Nasser Haro, a former chief of federal security, was a CIA informant.

Congressman Cusihuemoc Amezcua announced Thursday that a dozen Mexican officials from the Interior and Foreign Ministries, the federal attorney general's office and Mexico City's chief prosecutor's office will be called to testify. He did not identify the officials.

Mr. Amezcua said that the special probe would be opened following accusations by U.S. Attorney William Kennedy of San Diego, Calif., that the CIA had protected Mr. Nasser Haro because he was an informant. President Reagan dismissed Mr. Kennedy because of his remarks.

Polish Underground Warns of Unrest

WARSAW — Underground statements Friday called for immediate talks between Poland's government and the suspended independent trade union Solidarity and warned that, if increasingly angry workers are ignored, an explosion of unrest could overwhelm the country.

The statements by four fugitive Solidarity leaders who recently formed a clandestine commission aimed at coordinating resistance were written before the street rioting that erupted in at least 12 cities this week.

"Our situation is hopeless; we have a wall in front of us and a wall behind us," said the statement by Bogdan Lis from Gdansk. "On the other side there are the authorities, who are not keen to reach an agreement. We have to give them an ultimatum — there will be reconciliation or a fight."

Police Wound 6 on Golan Heights

TEL AVIV — Israeli border policemen on the occupied Golan Heights shot and wounded six persons Friday during an attempt by a group of people to release a detained member of the Druze sect, a police spokesman said. It was the first shooting incident in the Golan, captured by Israel from Syria in 1967.

Two policemen were taking a Druze villager to the police station at the village of Bukan to charge him with operating a tractor without a license when they were attacked by a mob armed with knives and stones, an Israeli spokesman said.

The policemen first fired over the heads of the attackers, the spokesman said.

Von Bulow Is Sentenced to 30 Years

NEWPORT, R.I. — The Danish-born aristocrat Claus C. von Bulow was sentenced to 30 years in prison Friday for trying twice to kill his millionaire wife with insulin injections.

A jury found Mr. von Bulow guilty on March 16 of injecting Martha "Sunny" von Bulow with insulin during Christmas visits in 1979 and 1980 to their Newport mansion. Mrs. von Bulow is in an irreversible coma. Superior Court Judge Thomas H. Needham sentenced Mr. von Bulow to 10 years for the first attempt, followed by 20 years for the second attempt.

Under Rhode Island law, Mr. von Bulow, 55, will have to serve about 10 years before being eligible for parole. Each count of assault with intent to commit murder carried a penalty of two to 20 years in prison.

Billy Graham Starts Moscow Visit

MOSCOW — The American evangelist Billy Graham arrived here Friday, saying he believed he had a God-given duty to try to help find a way to avert a nuclear catastrophe.

Mr. Graham, 38, was met at the airport by Metropolitan Filaret of Minsk, head of the Russian Orthodox Church's external affairs department. He is scheduled to preach in the cathedral of the Russian Orthodox Church Sunday morning after delivering a 30-minute sermon at Moscow's Baptist Church.

U.S. Vice President Bush and several other officials reportedly tried to dissuade Mr. Graham from attending a four-day peace conference, scheduled to start Monday, where Mr. Graham is expected to repeat his strong support for a Soviet-U.S. nuclear freeze.

Mosque Assailant Charged in Israel

JERUSALEM — Alan Harry Goodman, an American Jewish immigrant, was charged Friday with murder and attempted murder in the Easter shooting at the Dome of the Rock on Jerusalem's Temple Mount, the district attorney's office said.

Mr. Goodman, 38, was charged with the murder of Riyadh Abu Ramila, a guard at the Temple Mount, site of two Moslem mosques. The case will be heard by the Jerusalem District Court. Mr. Goodman, who could be sentenced to life imprisonment, reportedly told police that he acted to "liberate" the Temple Mount from Moslem control.

Israeli radio said police did not find enough evidence to charge Mr. Goodman with the killing of another Arab who died in the shooting. Nine Jews and Arabs were wounded in the assault and ensuing riots.

U.S. Unit Quits Israeli Plan For Soviet Jewish Emigrés

By William G. Blair
New York Times Service

NEW YORK — The American Hebrew Sheltering and Immigrant Aid Society (HIAS) has withdrawn from an Israeli plan to deter Soviet Jewish emigres from going to the first quarter of 1982 showed that "this much-desired goal was not reached."

In the first quarter of this year 852 Soviet Jews arrived in Vienna, the usual first stop on the emigration route, compared with 1,165 in the last quarter of 1981, according to the National Conference on Soviet Jewry in New York. Consequently, Mr. Shapiro said, HIAS will return to its traditional policy of helping emigres settle in countries of their choice, a policy that has been supported by the U.S. State Department. The U.S. government pays most of the resettlement costs.

The decision to withdraw from the Israeli plan was approved by the HIAS board of

Domestic Programs Seen as Big Losers in New Budget Proposal

By Spencer Rich
Washington Post Service

WASHINGTON — The new Reagan "compromised" budget announced this week differs from the original Reagan spending plan in part on taxes and military funds, but also in this major respect: It would make much deeper cuts in domestic spending programs, including Social Security, to bring down the deficit.

The proposed new cuts, worked out by Senate Budget Committee Chairman Pete V. Domenici, a Republican from New Mexico, and the White House and approved by the committee on a party-line vote, in many respects rival or surpass the domestic program reductions that preoccupied the president and Congress all last year.

As a starting point, the Domenici-White House plan would freeze all so-called discretionary domestic

discretionary programs, the entitlement programs and the cost-of-living adjustments for federal and military pensioners compare as follows with Mr. Reagan's initial budget:

Mr. Reagan's original budget proposed combined cuts in these categories, as compared with anticipated spending levels, totaling \$22 billion in fiscal 1983, \$35 billion in fiscal 1984 and \$49 billion in fiscal 1985, which adds up to \$106 billion over the three years.

The new plan, as approved by the committee, would cut about \$21.6 billion in fiscal 1983, \$46 billion in 1984 and \$59 billion in 1985 — a three-year total of \$127 billion.

The main difference is bigger cuts in Medicare and the addition of the Social Security cuts. The other domestic programs were generally cut somewhat less.

The new package also moves to cut the overall budget deficit by projecting lower costs to the United States for borrowing money, a reduction in the size of the increase in military spending sought by the president (but it still would rise from \$190 billion in 1982 to \$278 billion in 1985) plus added tax revenues.

Overall Look

Overall, the new budget package looks like this:

In fiscal 1983, if there were no change in current policies, the deficit would be \$18.2 billion.

The committee would cut military procurement outlays by \$5 billion below the president's earlier request, federal civilian and military pay raised by \$3.5 billion, the domestic programs discussed earlier by \$21.6 billion, government interest by \$12.9 billion, government management costs by \$8.9 billion; in addition, \$22 billion in new taxes would be imposed in a form still not specified. These changes would reduce the deficit to \$106.1 billion, nearly \$30 billion below the deficit currently estimated for Mr. Reagan's original budget.

For fiscal 1984, the deficit under current law would be \$21.6 billion, but \$110 billion in outlays cuts (including \$7 billion in military funds, the \$46 billion in new taxes would be imposed in a form still not specified). These changes would reduce the deficit to \$106.1 billion, nearly \$30 billion below the deficit currently estimated for Mr. Reagan's original budget.

According to knowledgeable sources, the effort to include accuracy had already been dropped because it could not be verified, and the method of accounting for megatonnage or explosive power carried by launchers.

Contradicting civilian experts who testified earlier, witnesses from the Defense and State Departments said Thursday that the U.S. chemical weapons stockpile is not enough to force the Soviet Union into "a deterrent posture" in which they would be required to put on protective gear and use decontamination equipment.

A key Senate vote on an amendment to strike out the funds for binary weapons is expected by early next week.

"It is not a question of the total amount of chemical agents," said Theodore Gold, deputy assistant secretary of defense, acknowledging that there is no evidence that the Soviet Union has a bigger stockpile, or that its weapons are better deployed.

Instead, the United States lacks militarily useful weapons, Mr. Gold said. He said the most critical deficiency of American chemical weapons is that the United States has none that will reach beyond battlefield artillery range to such rear areas as airfields and supply stations.

The United States has an aerial spray tank for behind-the-lines operations, but such spraying makes aircraft vulnerable, Mr. Gold said. The Soviet Union, said Richard Wagner, assistant secretary of defense, already has additional ways of delivering chemical weapons such as air-launched rockets and mobile missiles with a range of more than 200 miles (320 kilometers).

Rep. Jones said that the Reagan alternative "extends the unfairness of the president's February budget" by making deeper spending cuts in such programs as nutrition and education. In addition, he said, it fails to correct "unfairness" created by the tax cut enacted last year and spaces military spending.

They are really not being asked in this Republican budget to share the burden of sacrifice."

Also in the new plan is a curb on cost-of-living adjustments for federal and military pensioners.

According to the Budget Committee, the cuts in the new plan for Social Security, the nonmilitary



Former President Carter jogged early Friday in Stockholm, where he was on a four-day visit.

Aides Assert U.S. Lags in Gas Weapons

By Philip J. Hilts
Washington Post Service

WASHINGTON — The United States must build new chemical weapons to redress the decisive military advantage the Soviet Union has to wage chemical war, administration officials have urged before the Senate Appropriations Committee.

Contradicting civilian experts who testified earlier, witnesses from the Defense and State Departments said Thursday that the U.S. chemical weapons stockpile is not enough to force the Soviet Union into "a deterrent posture" in which they would be required to put on protective gear and use decontamination equipment.

According to knowledgeable sources, the effort to include accuracy had already been dropped because it could not be verified, and the method of accounting for megatonnage or explosive power carried by launchers.

Participants in the deliberations have told congressional leaders that the U.S. proposal is being fashioned without regard to whether it will be acceptable to the Russians. For several reasons, administration officials outside the administration predict that the negotiations will be difficult.

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Reagan to Offer Radically Different Plan for Arms Cuts

(Continued from Page 1)
capability of strategic weapons systems.

Besides counting launchers and warheads, administration officials have sought to take into account accuracy, missiles' launching capability or "throw weight," and the megatonnage or explosive power carried by launchers.

According to knowledgeable sources, the effort to include accuracy had already been dropped because it could not be verified, and the method of accounting for megatonnage was still a source of internal disagreement.

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Carter Says Brezhnev Rejected Nuclear Freeze Proposal in 1979

By John Vinocur
New York Times Service

STOCKHOLM — Former President Jimmy Carter said that he had proposed a freeze on deployment and production of nuclear weapons to Leonid I. Brezhnev three years ago, but that the suggestion was turned down by the Soviet leader.

Mr. Brezhnev also rejected a proposal at a meeting in Vienna in June 1979, for both countries to renounce the use of force in Europe, Mr. Carter said Thursday.

Mr. Carter is in Stockholm on a European tour to speak at a seminar sponsored by Svenska Dagbladet, a daily newspaper.

Many of his remarks in a news conference touched on his talks with Mr. Brezhnev in Vienna where the two leaders signed a treaty that ended the second round of strategic arms talks. The accord set limits on strategic, or long-range, nuclear weapons on both sides. However, Soviet-U.S. relations cooled after Moscow's intervention in Afghanistan in December 1979, and the treaty was not ratified.

In Vienna, Mr. Carter proposed that the two sides even below the SALT-2 level.

This is the outcome he would

like to see from any eventual discussion between President Reagan and Mr. Brezhnev. Mr. Carter said.

"My belief is that the present administration would be glad to agree with the Soviet Union that there should be no military force used in Europe, from either side, conventional or nuclear," he said. "I believe we have rough equivalence between us and the Soviet Union now in overall nuclear capability. The Soviets have an advantage in the intermediate range."

On other issues, he said he felt that if the Russians had not become bogged down in Afghanistan, they would have moved against Poland much earlier. He was apparently alluding to the proclamation of martial law there, which is widely thought to have been imposed with Soviet approval.

Mr. Carter said that, when the Soviet Union appeared to threaten intervention in Poland in late 1980 after the rise of the independent Solidarity labor movement, he sent Mr. Brezhnev a message concerning Poland that was "the most stern message I ever sent him" and "the only one to which he never replied."

Administrators say that the Russians must agree to cooperative measures for verifying compliance with any START treaty. SALT-2 would have relied upon "national technical means" — satellites, tracking ships, remote observation sites.

"National technical means are not going to be adequate to verify the kind of reductions we anticipate," an administration official said.

Despite the talk of major reductions, many analysts see in the START negotiations a real danger of another buildup.

Critics of the SALT-2 treaty said that it permitted Moscow to have 308 of the giant SS-18s while the United States was allowed no missiles of that size.

Altogether, the Soviet Union has about 80 percent of its megatonnage tied up in large land-based ICBMs, against about 25 percent for the United States.

Many arms controllers fear that efforts to deal with this asymmetry will only lead to an agreement for the United States to build further to equal the huge Soviet vehicles.

Assad Appears Stronger Since Siege of Hama

By Vincent J. Schodolski
United Press International

HAMA, Syria — The weary old man stood atop a pile of rubble and gazed toward the horizon.

"What happened here has happened nowhere else in the world," he said.

As he walked slowly down the narrow lane next to the shell and bullet-riddled remains of the 18th-century Azem Palace, he talked about the death of his brother and two sons by government troops.

He looked toward the sky. "God saw it. We're counting on God."

This once gentle city of waterwheels and delicate gardens along the banks of the Orontes River lies in ruins three months after the forces of President Hafez al-Assad fought for three weeks with a band of Moslem fundamentalist rebels.

The siege of Hama seems to have further secured the Assad regime and bought some time in the ongoing fight with its fundamentalist foes — the Moslem Brotherhood. But the cost was high.

Diplomatic estimate that between 5,000 and 10,000 people died during the February siege.

Rubble Cleared

Despite government claims to the contrary, wide patches of the city have been leveled.

Two sons of the Azem Palace were killed by government troops.

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INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

Page 4 Saturday-Sunday, May 8-9, 1982

Dialogue in Poland?

The Polish Communist regime's effort to cheat its way back into the toleration of the Polish people and the international community fell apart in the streets the other day.

The regime had made a great display of "normalization," releasing some of its thousands of political prisoners (who are too often called "internes"), relaxing the curfew and musing about a "national dialogue." On Monday, however, in Warsaw and other Polish cities, tens of thousands of citizens demonstrated against martial law. They were met by police violence; scores were injured, and 1,300 detentions were reported. So much for any hope of inducing the Polish people to forget about their lost liberties and to cooperate, however sullenly, with General Jaruzelski's rule.

And now? Archbishop Jozef Glemp, for one, still seems to believe there is a negotiable way out of the crisis the Communist authorities created last December when they shut down Solidarity. He blames "extremists" for the current impasse — the government's for relaxing martial law too little, and Solidarity's for pushing protest too hard. Cardinal Glemp is the most credible voice in Poland arguing for a dialogue and a political

compromise between the narrowly based, Soviet-supported regime and the people, whose allegiance to their chosen representatives in Solidarity remains strong.

There is the real possibility, however, that the "extremists" on the Communist side will take the demonstrations not as proof that normalization had lagged but that it had gone too far. Nor can it be doubted that some in Solidarity figure that there can be no worthy compromise with the regime, only a tightening of tests of wills. So it could happen that before either side reaches out further to the other, both will intensify their internal debates. This makes the moment fraught with fresh uncertainty.

For Solidarity, as for its friends outside Poland, however, the test must be whether martial law is rolled back and whether Solidarity itself is allowed a role commensurate with its standing among its constituency. Until that happens, there will be little taste in the West for providing Poland with a measure of cooperation, especially the cooperation essential to its long-term economic revival. That should be clear by now to everyone in Poland, including Gen. Jaruzelski.

THE WASHINGTON POST.

The Neglected Debate

Defense Secretary Caspar Weinberger seeks to fend off more serious assaults on his huge budget by acknowledging that the rise in military spending might have to be slowed. With military debate stuck at that level, the deeper questions are ignored: Is the overall strategy coherent? Are the forces and the weapons necessary?

There is reason to believe an adequate strategy could be financed for less than the administration's projected spending of \$1.43 trillion over five years. In Brookings Institution study, Prof. William Kaufmann of the Massachusetts Institute of Technology, who has advised five defense secretaries, argues convincingly for a strategy that would cost \$130 billion less while providing adequately for national security. He would provide full funding for the long under-funded "baseline," the one-and-a-half-war force goals of the mid-1970s, with additions to counter increased dangers in the Gulf region.

Weinberger, however, has argued that the armed services need more of "almost everything." In addition to the defense of Europe, South Korea and the Gulf, the administration's strategy would prepare for "horizontal escalation" — extended conventional wars against Soviet vulnerabilities in several other regions at the same time — as well as "vertical escalation" to nuclear arms. The added forces, weapons and supplies that the Joint Chiefs say would be required could push up spending by another 50 percent.

For example, some \$90 billion would be spent over five years on modern munitions in pursuit of a 90-day war supply, instead of the prior 45-day goal. And the Navy would spend an added \$27 billion in building up from 450 to 600 ships and from 12 to 15 carrier battle groups.

THE NEW YORK TIMES.

Letters

Petty Concerns

Omer Kanca asks from Geneva (*Letters, March 11*) if the weakness of the United States in international affairs has not always been to be the "slave of petty concerns and ethnic pressures that overlook unational interests and global responsibilities."

General J.W. Donaldson, at 68 rue du 19 Janvier, 92380 Garches (France), can provide the writer with a list of U.S. military cemeteries in France and elsewhere in Europe. To paraphrase from a monument at one of them: In Flanders field where the poppies grow, Mr. Kanca can count the crosses row by row.

HARRISON SMITH,
Lens-Lestang, France.

Nuclear Power

It is difficult to justify, in the name of public interest and enlightenment, the column (*IHT, April 6*) by Harvey Wasserman and Norman Solomon, which retracts preposterous allegations of health hazards near nuclear power plants. These hoary tales of animal stillbirths and wilting orchards have been thoroughly analyzed and cannot be linked to radiation levels associated either with the normal operation of these plants or with the accident at Three Mile Island.

The careful reader will note that not even Wasserman and Solomon dare claim that this linkage exists. Their sole purpose, it seems, is once again to create a

public scare and to type a book. Fortunately, there now exists a scientific consensus, affirmed by America's premier panel of experts (the Committee on the Biological Effects of Ionizing Radiation of the National Academy of Sciences) that nuclear electric power production poses no undue radiation risk to man or to the environment.

PAUL TURNER,
Atomic Industrial Forum, Inc.
Washington.

Piecemaking?

The total lack of U.S. understanding for the Argentine position in the conflict for the islands in the South American Atlantic leads one to believe that Mr. Haig never heard of the Monroe Doctrine, which can be summarized as proclaiming that "America belongs to the Americans."

As it happens, the results of recent U.S. peacemaking diplomacy have usually benefited the Soviet Union, as in 1956 when the (Dulles) intervention in the Suez crisis opened the way for the Russians to Nasser's Egypt and to Africa, while allowing them to reconquer Hungary.

U.S. peacemaking (Kissinger) served Cambodia and Laos, in addition to Vietnam, on a silver platter to Moscow.

U.S. diplomacy (Vance) created a power vacuum that benefits the Russians in the Gulf area.

This time, U.S. diplomacy (Haig) will drive the yet uncontaminated countries of Spanish

America into the arms of the Kremlin. In a word, each time we make peace, they grab a piece.

Paris. R. de PALAGYI.

From the Right

Regarding "The U.S. Left: Operations For a Wider Alliance" (*IHT, April 1*): The word "democracy" has long been simply a euphemism for oligarchy (government by the mob). The writer, who is national chairman of the Democratic Socialists of America, solemnly assures us that the motley membership of this group is not made up of bank robbers but of respectable people who have "made the democratization of corporate control of investment their key domestic priority." Apparently, theft through stealth or violence is outmoded and will be replaced out with anything so crude as terrorism, but with theft by law, backed up of course by the police power of the state. Soviet Russia, here we come. But who will now feed us?

RAYMOND V. McNALLY,
London.

Other Media

Concerning the Rex Morgan War, I would like to add my two cents' worth. Rex Morgan is smugly telling us that if Ms. Takacs (*Letters, April 15*) misses soap, she should listen to the Archers on the BBC, or watch Dallas on French television.

Paris. E.M. BURIN.

May 8: From Our Pages of 75 and 50 Years Ago

1907: Well-Traveled Officer Dies

NEW YORK — Maj.-Gen. Henry McIver, soldier of fortune, who fought under 18 flags, is dead. He had served as an ensign in India and the Sepoy mutiny, as a lieutenant in Italy under Garibaldi, as a captain in Spain under Don Carlos, as a major in the Confederate Army on the staffs of Generals Stonewall Jackson and J.E.B. Stuart, as a lieutenant-colonel under Emperor Maximilian in Mexico, as a colonel under Napoleon III, in the Franco-Prussian war, as an inspector of cavalry for the Khedive of Egypt, and as a major-general under King Milan of Serbia. He had served in the 10 years' war in Cuba, in Brazil, in Argentina, in Crete, in Greece, and to the two Carlist revolutions in Spain.

1932: Ex-Interior Secretary Fall

WASHINGTON — Albert B. Fall, former secretary of the interior, convicted of accepting a bribe in connection with the leasing of government oil lands, will be released from the New Mexico state prison with the arrival of an amended commitment that will eliminate the payment of the \$100,000 fine before his release. It was expected that the former cabinet officer would be freed on May 8, but the fact that he had neither paid the fine nor signed a pauper's oath will delay his release one day. He started on his sentence of a year and a day on July 20, 1931, and has become eligible for release with time off for good behavior. Fall, who was taken to prison in an ambulance, is 71 years old.

Clichés That Bring More Heat Than Light

By Flora Lewis

BERKELEY, Calif. — The debate on foreign policy as well as nuclear affairs is swelling across the United States, after years when an apparently indifferent public left these issues to specialists. It is particularly impressive to find a lively interest in European affairs in California, the Reagan political base and traditionally much more concerned with the Pacific.

The evidence does not support the widespread European impression that Americans don't care much about allies these days. But the introspective years, and the tenor of administration talk, do seem to have left a gap of understanding, a polarized sense that if things are not clearly going one way, the opposite must be true.

People ask whether the allies are going to "shape up," and suggest that if not, the United States should break relations; or they ask whether Europeans are getting ready to assert independence and refuse American "dictates."

Nelson Polby, a respected professor of political science in Berkeley, charges that the allies "want it both ways," as though there were some kind of selfish perversity in wanting both freedom and peace, both American support for common defense and continued American acceptance that another war in Europe would be cata-

strophic for everybody. Isn't that also what the United States wants?

The lucid, carefully reasoned Foreign Affairs article by the "Gang of Four" senior ex-officials calling for a study of the policy renouncing first use of nuclear weapons makes mutual interest clear. West Germany must rely on U.S. nuclear protection because nobody wants Germans to make atom bombs. "We Americans should recognize," they say, "that this relationship is not a favor we are doing our German friends, but the best available solution of a common problem."

In the choice between war and peace with liberty, nobody "wants it both ways." Clichés bring heat without light to the debate. Jargon words, like old brand names on a new product, are subtly redefined so that essential meaning is distorted.

Deterrence is called "a failure" for not preventing the Soviet arms buildup, a view advanced by Secretary of Defense Caspar Weinberger. But in fact there has been no change in the basic NATO purpose to deter any attack by a Warsaw Pact member or any NATO member. That has been a total success. No more was ever implied. Détente seems now to be understood as

some kind of "rules of the game" (made in Washington) in which Moscow pledged to keep out of any areas not already clenched in its fist. In fact, the 1972 Nixon-Brezhnev Moscow declaration recognized common interests in avoiding head-on conflict and led to many increased contacts, without pronouncing more.

There are all kinds of either-or propositions going around. The public can hardly be blamed, because that is the kind of talk that people have been hearing now that they are tuning in to the big international questions again.

Even so self-conscious and intellectual a person as Norman Podhoretz, writing in The New York Times Magazine, expresses "neo-Conservative disappointment" with President Reagan's foreign policy, not because it isn't producing anticipated results but because it isn't steadily taking the campaign line that goes: "They can't push us around anymore — we'll push them."

He had placed "high hopes" in Mr. Reagan, he said, because the campaign argued that America had lost "the principles through which we had become the most productive, the most prosperous, the strongest and the most respected nation

on earth; it was up to us to rediscover and rededicate ourselves to them..."

The implication was that the rather brief period of unchallenged American dominance that Henry Luce once exuberantly called "the American century" came about spontaneously, regardless of what two World Wars, the breakup of empires and transition to the second industrial revolution did to the relative position of the traditional powers. Small wonder the public feels pressed to choose between clichés that blur instead of clarifying.

The nuclear debate, futile in itself, is also inevitably a foreign policy debate because international security is the only reason for the weapons. The task of statesmanship is not to sell pet schemes but to build broad public understanding of what the issues involve so that long-term policy decisions can claim enduring support.

The task of opposition is not to offer emotionally satisfying contradictions to emotional appeals for strength and solidarity. It is to force the argument to take clear account of complex realities and give the public the means for rational decision. If the outcome of the debate is a bad decision, either way, it will be a long time if ever before there is a chance to reconsider.

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When the Timetables Work Out So Very Neatly for War

By George F. Will

WASHINGTON — In the years immediately preceding that great calamity of Western civilization, the First World War, French railway wagons bore this marking: "40 men or 8 horses." That was a military marking, evidence of a fateful military doctrine — and not just a French doctrine. Other nations' railway wagons bore similar markings. The story of these markings demonstrates — as does the Falklands crisis today — that military measures can acquire a logic of their own.

A.J.P. Taylor, a British historian of distinction (and some perversity), wrote a slender book that should be in the library of every statesman: "War by Timetable: How the First World War Began."

It was supposed to be impossible for a big war to begin.

The Franco-Russian alliance was balanced by the Austro-German alliance. Both were defensive, to be operative only in the event of an attack. So World War I (and hence World War II) could not happen.

It was clearly impossible.

But in 1914 all the continental powers used conscription to generate huge standing armies. Military planners knew they could have millions of men moving to some front quickly. And they had to be mobilized in Aachen, and then wait for the declaration of war.

The first army must mobilize and be on its way before the second arrived, and so on.

So physical facts made a "successful" mobilization flow into war. The European powers were

trapped by the ingenuity of their mobilization preparations. And the ingenuity was necessitated largely by railway systems.

It is idle to dwell upon how different the world would be if Europe had not had such a meshing of military doctrines and transport capability — the quick movement of huge infantries "40 men or 8 horses" per car. A Romanov might be sitting in the Kremlin.

But it is out of date to study such examples of the logic of military dispatches. For example, a fleet dispatched is apt to reach its destination, and then is apt to use force to do what it was dispatched to do.

Physical facts made a "successful" mobilization flow into war. The European powers were

trapped by the dialectic of force puts diplomacy at a disadvantage.

The British have been right to use force: Britain's critics have been wrong to be surprised that Britain has done so. All the same, there is an understandable sense of unease about the seeming autonomy of military events.

In the Falklands crisis, the analogy with 1939 has been pressed, and with reason. Dictators must be resisted. But another analogy is 1914, when events in a (then) distant corner of Europe — the Balkans — allowed small countries to unleash large events that engulfed large nations.

Events today must make the two superpowers feel something short

of super. The United States has been a hostage of events around the Falklands. And only those events are distracting world attention from the stirrings of the Polish nation against its tormentors.

The Soviet Union must be presumed to be still governed, in some sense, by a tyrant so feeble that he must periodically totter into public view just to silence speculation that he is dead. He heads a regime that is 65 years old and has not yet had what could be regarded as a legitimate succession.

It used to be said that the Balkans produced more history than they could consume locally. The same might be said today of Eastern Europe, where both world wars began — and the Falklands.

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How Argentina (and Others) Blundered Into Trouble

By Joseph Kraft

WASHINGTON — The United States will probably pay a price for the fighting around the Falklands, so it is important to understand why its diplomatic efforts to avoid conflict failed.

In retrospect, a different U.S. approach comes easily to mind. Washington could have asserted its position, instead of having it emerge slowly as events developed. In that case, two pieces of information would have been communicated to London and Buenos Aires at the outset of the crisis in March.

First, it would have been known that the United States is bound so closely and in so many different ways to Britain that in the crunch no separation was possible. When civil war broke out in Argentina, the U.S. would have been compelled to help Britain.

Secondly, it would have been known that, whatever the merits of the case, Washington considered the Argentine aggressor in the Falklands. Thus the United States could not possibly support Buenos Aires under the Rio Treaty.

In Britain, foreknowledge of those realities would have made

might have come up with a formula that would have let Mrs. Thatcher call off the dogs of war.

As it happened, the United States dealt only with Gen. Galtieri and his foreign minister, Nicolás Costa Méndez. Several different proposals requiring quick answers surfaced against an ambiguous background of what would follow. Twice Galtieri seemed to have agreed, but he could not win the approval of his colleagues in the junta. The Argentine decision-making apparatus involves wheels within wheels within wheels. Gen. Leopoldo Galtieri may be the president and the leader of the military junta, but he has to check decisions with the navy and the air force. He is also subject to veto by corps commanders and other army officers. All the military, moreover, works against the background of a possible return to power by civilian Peronists.

The United States cannot legitimately be blamed. The Reagan administration made a good-faith effort to avoid war. It operated under plausible assumptions about the Argentine leadership. It showed enormous patience. It risked relations with the closest U.S. ally to save the bacon of an indifferent friend. Indeed, if Mrs.

Thatcher proves unable to consolidate early military gains and is left to twist slowly in the gales of the South Atlantic, many in Britain and elsewhere will find fault with her.

But that record, however decent, is not going to cut ice in Latin America. Brazilians, Venezuelans and Chileans do not love the Argentines. They detest Argentine arrogance and live in fear of mass-based Peronism.

But they also resent the United States and its dominant economic position. They look for grievances against Washington. So Americans will be made to carry the can for what the British have done. We will not hear soon the end of complaints that the United States was bad neighbor, lacking in hemispheric solidarity and favoring the

U.S. Backs New Laser Treatment for Eye Disease in Elderly

By Robert Reinhold
New York Times Service

BETHESDA, Md. — A new laser procedure has proved so effective in treating the leading cause of blindness among the elderly that the National Eye Institute has ended clinical tests and urged immediate treatment for all potential patients.

The treatment, which takes 10 minutes, is almost useless if not applied within a few weeks of the onset of symptoms of neovascular senile macular degeneration.

The disease can cause loss of vision when tiny blood vessels grow into and displace the macula, the thumb-sized structure that controls central vision in the eye's light-sensitive lining. The treatment, costing about \$350 an eye, uses an argon laser to seal off these abnormal vessels, thus preventing the bleeding, scar formation and nerve damage that impairs vision.

"We believe that these findings may save as many as 13,000 older Americans from going blind in the next year," said Dr. Carl Kupfer, director of the eye institute, at a press conference Thursday. "That would mean that the expected nationwide incidence of blindness can be reduced by almost 14 percent over the next year."

Blurred vision, distortion and blank spots in the central vision are early warning symptoms of leakage, said Dr. Stuart L. Fine of the Wilmer Institute at the Johns Hopkins University, chairman of the study. "The likelihood of finding blood vessel leakage that is treatable with the argon laser is considerably higher if a patient is seen within the first few days after the onset of these symptoms."

Laser in Common Use

Senile macular degeneration — SMD for short — is a function of aging and affects about 10 million people over age 50. Vision loss is most likely among up to 20 percent of those who develop the abnormal new blood vessels, a form of the disease called neovascular SMD. Of roughly 500,000 legally blind Americans, about 104,000 are so as a result of neovascular SMD. The eye institute estimates that 93,000 could have avoided or delayed blindness with laser treatment.

The argon laser is already in common use throughout the United States for treating other eye diseases, such as diabetic retinopathy and certain forms of glaucoma. After 18 months of followup in the five-year institute study, 60 percent of the untreated eyes suffered severe visual loss compared with only 25 percent of the treated ones.

The treatment offers no help to the untreated patients now because the damage is irreversible.

The results demonstrated that early treatment is essential. Of the cases in which diagnosis was made within two weeks of onset of symptoms, 83 percent were still treatable. In contrast, only 10 percent could be treated if five to six months had elapsed.

The experts urged elderly persons to perform a daily home check on their eyes. Since SMD usually develops in one eye first and then the other some years later, it is possible for the symptoms to be overlooked because the healthy eye masks them. Therefore, Argie Hillis, the project's statistician, suggested that people perform the following test daily:

Pick out a straight line, such as a door frame or telephone pole. Cover one eye and see if the line is still straight. Then check the other eye. If the line ever appears bent or distorted, or if a blank spot appears, see a doctor.

Opuntion Treatment

Dr. Kupfer said that 90 percent of blindness caused by neovascular SMD was potentially preventable and that hundreds of thousands of others could be spared lesser visual loss, such as blindness

in one eye. The therapy does not cure the underlying disease.

The treatment is relatively comfortable, usually done on outpatients. The eye is anesthetized and the laser beam is applied. A patch is put over the eye for a few days. It is several weeks before the results are fully known. Dr. Fine said only one of the 224 treated patients suffered complications — bleeding that led to severe visual loss.

Neovascular SMD is somewhat more common among women. People with blue eyes and light coloring are at greater risk than average, and the condition is rare among black Americans.

The disease usually starts with tiny white or yellow bumps, called drusen. In 80 to 95 percent of cases, the condition does not advance beyond this stage, which causes no visual impairment. But in other cases, the membrane that connects the retina to the underlying layer of blood vessels begins to break down. New blood vessels grow, leaking fluid into the light-sensitive nerve tissue, killing cells.

The victim will begin to see straight lines as wavy or crooked, and then a blind spot emerges in the middle of the field of vision. This process occurs very rapidly, with the fovea sometimes destroyed within a month or two.

Reagan Endorses Plan For Prayer in Schools

By Herbert H. Denton
Washington Post Service

WASHINGTON — President Reagan told ministers, rabbis and priests gathered in the White House Rose Garden that he intends to propose to Congress a constitutional amendment that would allow prayer in public schools.

Urging a reawakening of "America's religious and moral heart" and the protection of religion from "government tyranny," Mr. Reagan on Thursday reiterated his long-held belief that the Supreme Court has been wrong in consistently ruling over the last 20 years that the state may not include prayers in public school curriculums.

"No one will ever convince me that a moment of voluntary prayer will harm a child or threaten a school or state," the president said.

"But I think it can strengthen our faith in a creator who alone has the power to bless America."

Mr. Reagan's remarks, and a White House fact sheet released for the event, were careful to stress that the proposed amendment being drafted by the Justice Department would allow only voluntary prayer. Administration spokesmen argue that this would not conflict with First Amendment guarantees of freedom of religion.

Helms Bill Questioned

Meanwhile Thursday, Attorney General William French Smith said he has questions about the constitutionality of a bill sponsored by Sen. Jesse Helms, Republican of North Carolina, to deny federal courts power to rule in school prayer cases. But Mr. Smith said that if the bill became law, the Justice Department would enforce it.

Mr. Reagan's proposal for a constitutional amendment was a gesture to conservatives who have grown increasingly restless as the White House relegated so-called social issues to a back burner while emphasis was given to budget and economic battles. Prayer in schools is perhaps the least controversial of such issues, which include school busing and abortion.

Mainstream churches and synagogues have battled the idea of a school prayer amendment just as zealously as conservative evangelicals have fought for one.

Religious leaders representing about 60 national Protestant, Eastern Orthodox and Jewish groups outlined their objections in a statement Thursday:

• The First Amendment of the Constitution prohibits public schools "from fostering religious practices."

• A least-common-denominator prayer that would be acceptable to all "trivializes prayer by robbing it of depth and meaning."

• Religious instruction is the responsibility of the religious family and the religious community.

One of the most outspoken critics of Mr. Reagan's proposal Thursday was the Rev. James Dunn, executive director of the Southern Baptist Convention's Joint Committee on Public Affairs.

"It is despicable demagoguery for the president to play petty politi-



President Reagan and his wife, Nancy, in prayer after Mr. Reagan announced his support for a proposed constitutional amendment that would allow voluntary prayer in public schools.

ties with prayer," said Mr. Dunn.

He knows that the Supreme Court had never banned prayer in schools. It can't. Real prayer is always free.... What the court does is protect religious liberty."

Proponents of a prayer amendment stress the voluntary aspect of such legislation. "We're on the record for voluntary school prayer," said Forrest D. Montgomery, legal counsel for the National Association of Evangelicals. But he acknowledged that "it's a very delicate situation. You've got to be sensitive to all faiths and beliefs,"

and you've got to be sensitive to the kids."

The Rev. Jerry Falwell, founder of the Moral Majority, said of Mr. Reagan's proposal: "I think it's a bright day in America. After 20 years of expulsion of Almighty God from the public schools of the United States of America, I think this is the light at the end of the tunnel."

The nine members of the Supreme Court will no longer be able to deny children their opportunity to pray in school buildings paid for by their moms and dads."

House, CIA Dispute Handling of Arab Data

By George Gardner Jr.
Washington Post Service

WASHINGTON — A House subcommittee has voted to recommend disclosure of substantial portions of secret CIA studies on Arab investments in the United States after a closed-door hearing to which the CIA dispatched its own guards.

According to subcommittee lawyers, the Central Intelligence Agency then tried on Wednesday to commandeer the official House reporter to CIA headquarters in suburban Langley, Va., along with his stenotypes so as to supervise the preparation of the official transcript.

"We were outraged," declared subcommittee counsel Stephen R. McSpadden.

Subcommittee Chairman Benjamin S. Rosenthal, Democrat of New York, was called off the House floor for advice on what to do. "He immediately told us not to let the CIA disown with this guy," said Ted Jacobs, the subcommittee's chief counsel. "He said under no circumstances should that property [the stenotype] leave the House."

The upshot was that a CIA contingent then marched over to the Capitol with the House reporter, Robert Cantor, to "babysit" the making of the transcript there.

At issue are 17 CIA documents dating to 1974, most of them classified secret, that concern the extent of investments in the United States by members of the Organization of Petroleum Exporting

Countries, particularly by Saudi Arabia and Kuwait and their surrogates.

Estimates of the holdings vary widely, but they have been calculated by some expert witnesses before the subcommittee as up to between \$150 billion and \$200 billion.

According to a "sanitized" summary of a 1977 CIA report, Kuwait and Saudi Arabia were making such heavy investments in certain U.S. corporations at that time that "both countries — but especially Kuwait — are having difficulties placing new funds in the U.S. stock market without triggering the SEC 5-percent disclosure rules."

Owners of 5 percent or more of the registered securities of a publicly traded corporation under

SEC jurisdiction are required to disclose a broad range of information, including the source and amount of the funds used to acquire the stock.

After months of sparing between the CIA and Rep. Rosenthal's Government Operations subcommittee on monetary affairs over the 17 studies, President Reagan formally refused on Feb. 17 to permit their disclosure. He maintained that release of the studies "would be likely to cause grave injury to our foreign relations or would compromise sources and methods of intelligence gathering."

Rep. Rosenthal then introduced a resolution calling on the House to overrule Mr. Reagan and authorize publication with only a few deletions to protect "intelligence sources and methods."

By a party-line vote of 6 to 5, the subcommittee Thursday recommended a somewhat watered down approach: publishing "summaries of substantial portions" of the documents in a subcommittee report on the foreign investment question.

Rep. Stephen L. Neal, Democrat of North Carolina, offered the amended version for the purpose of getting the CIA to "cooperate" before the resolution reaches the House floor. Rep. Rosenthal heartily endorsed the change.

The Republican minority, led by Rep. Hal Daub, Republican of Nebraska, dissented, although Rep. Daub said that he had read all the documents in question and agreed there ought to be some disclosure.

Rep. Rosenthal and his aides contend that the degree of secrecy the administration has insisted upon is ludicrous. They say the CIA reports shed important light on the potential for a mounting degree of OPEC government influence in the United States, but that the studies are primarily analytical, similar to studies published regularly by private institutions such as the Chase Manhattan Bank.

The agency sent more than half a dozen officials to testify at the session, but refused to make the names public. Subcommittee staffers said the CIA also asked that no transcript be made at all, but the request was turned down.

U.S. Immigration Officials Say Crackdown Against Illegal Aliens Was 'Very Effective'

By Ronald J. Ostrow
Washington Post Service

WASHINGTON — U.S. immigration officials have defended their controversial crackdown on illegal aliens holding jobs that might otherwise be held by legal residents as "very effective and successful."

Alan C. Nelson, Immigration and Naturalization Service commissioner, also dismissed complaints Thursday of specific problems in Operation Jobs by Hispanic groups, saying that the allegations were "absolutely unfounded."

5 Days of Sweeps

"They've got their issues they want to raise and they want to foster their positions, and they have every right to do that," Mr. Nelson said. "We think they greatly overextended it [the criticism] for whatever purposes."

He described the criticism as unfounded and orchestrated.

During the five days of sweeps of working places suspected of employing illegal aliens in nine cities, INS agents apprehended 5,635 in-

dividuals — 5,440 of whom held jobs paying an average wage of \$4.81 an hour, according to Joseph F. Salgado, assistant commissioner for enforcement.

Mr. Salgado said that on the basis of experience gained in Operation Jobs, the INS "may want to retarget [enforcement] resources" and perhaps aim at rounding up illegal aliens who hold higher-paying jobs. "We may implement it on a long-term basis," he said.

Higher Wage Ranges

The officials cited these examples of higher wage ranges held by some of those apprehended:

\$10.08 an hour, Burlington Northern Railroad, Chicago; \$9.80 per hour, construction job in Denver;

\$9 an hour, Robert Bosch Co., Chicago; \$7.35 an hour, Denver Lamb Co., Denver. About 6 percent of the salaries were above \$7.25 an hour, the officials said.

The figures were based on information provided by the aliens.

The operation cost about \$500,000 more than normal INS operating expenses for wages and salaries and up to \$1 million more if outlays for feeding, housing and transporting the aliens are included.

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Small Percentage

Mr. Salgado said 72 percent, or 4,071, of the apprehended aliens "were voluntarily returned," with the remainder set for INS hearings. The aliens came from 44 different countries, with 87 percent of them from Mexico. Last year, 95 percent of INS apprehensions around the nation were Mexican nationals.

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White House Opposes Congressional Bids to Curb Supreme Court

By Jim Mann
and Ronald J. Ostrow
Los Angeles Times Service

WASHINGTON — The Reagan administration has registered its opposition to congressional proposals to limit the power of the Supreme Court, warning that the measures could reduce it to a "political institution."

However, in a pair of letters from Attorney General William French Smith to congressional leaders Thursday, the administration maintained it would be constitutional for Congress to curb the authority of the lower courts.

The attorney general said he believed that an anti-busing bill pending in Congress was constitutional because it restricts only the lower courts. He did not say whether a separate bill to strip the Supreme Court of its authority to hear school prayer cases would pass constitutional muster.

Mr. Smith's letters were responses to requests in Congress for the Reagan administration's views on two specific bills: an anti-busing measure and a school prayer bill. Both proposals would curb the power of the courts.

One bill, which was passed by the Senate in March and is pending in the House Judiciary Committee, would forbid U.S. judges from issuing orders to transport a child to a school more than five miles or 15 minutes from the child's home.

In arguing that the bill was valid, Mr. Smith wrote: "The bill itself does not prohibit all busing. It restricts the authority of only the lower federal courts to order busing within specific limits. It does not affect state court or U.S. Supreme Court jurisdiction, or the jurisdiction of the lower federal courts to hear desegregation cases."

On school prayer, proposed legislation, now pending in the Senate Judiciary Committee, would strip the Supreme Court of its power to hear appeals in cases involving voluntary prayer in public schools or buildings.

The attorney general was much less specific on the prayer bill, saying that the administration would carry out its obligation to defend the constitutionality of the bill if passed by Congress. But Mr. Smith said that before enacting the bill, Congress should consider the principles it advocated concerning the power of the Supreme Court.

The remedy for judicial overreaching ... is not to restrict the Supreme Court's jurisdiction over those cases which are central to the core functions of the court in our system of government," Mr. Smith wrote.

Death Threats

Deputy Los Angeles District Attorney Larry Trapp said that the state had made a mistake when it made its decision in 1975 to free Sirhan. He said that the board at the time did not know of letters Sirhan had written in 1971 and 1975 making death threats against an author and a prison official.

Testimony in this special proceeding ended on Thursday after 30 witnesses had been called over nine days. Now the parole board will hear final statements by attorneys, with Sirhan's statement at the conclusion of the hearing.

The chairman of the Board of Prison Terms, Raymond C. Brown, who is presiding over the three-member panel conducting

the hearing, said that the matter would be examined after Sirhan made his statement, with the board's written decision to be issued in about 10 days or two weeks.

NYSE Nationwide Trading Closing Prices May 7

Tables include the nationwide prices up to the closing on Wall Street.

13 Month Stock
High Low Div. In

5 Yrd.

P/E

3rd

500

High

Low

Out.

Clos.

Close

Prev.

Market Summary

May 7, 1982

Dow Jones Averages

NYSE AMEX

12 Month Stock

13 Month Stock

12 Month Stock

Arts Travel Leisure

What's Up With Juggling?

by Mary Blume

LONDON — At the Pineapple Dance Center in Covent Garden there are classes in modern jazz, tap dancing, body conditioning and therapeutic massage. There is also a bar that sells yogurt, hummus and wholemeal quiche, but a room behind the bar is where it's all at. There, on Sunday afternoons, Tim Batson, who is professionally known as Tim Bat, gives tuition in juggling.

Tennis balls, beanbags, dishes and pins whir through the air and land, often at not, with a thud. An American schoolteacher and a Canadian film producer who is wearing a fisherman's cap and legwarmers have worked out a fancy routine that involves under-the-leg passes; and jovial groans. One student has brought a unicycle and another is solemnly practicing bows to tumultuous imagined applause.

Most of the students begin class shyly facing the mirrored walls but within moments they are facing each other and gravitating toward the center of the room, filling the stale air with flying objects. The class is crowded: The juggling course is a big success.

"You see there are a lot of closet jugglers. Before I started up they practiced in their rooms; they never knew there were others," Tim Bat says. He is slight and lithe, urchinlike with a chipped front tooth. He was a video filmmaker and garbage collector, or dustman, until he took up juggling in a Covent Garden street. He started giving lessons at Pineapple in the fall of 1980.

"Meeting other people brings people out, you want to do it with them instead of doing it alone in your room," Tim Bat says. "I teach them to pass to each other and then you're miles away from the half hour at home trying not to drop things because of the woman downstairs. Some want to keep to themselves, they don't want to pass. But the sense of achievement and gratification is the same."

There are enough jugglers loosed from the closet to make juggling a genuine fad but Tim Bat doesn't like the word. "It's not a craze, it's not a thing that's going to go away. It's like riding a bike."

"I think juggling will become increasingly popular to the point where it might take its place as a minor sport alongside things like ping-pong, badminton and whatnot," Cassidy says.

"In the States they're very competitive, they're even trying to get juggling recognized as an Olympic sport," Tim Bat says. He got

into juggling after editing, frame by frame, a film on the first juggling convention.

"That was 1977. I can duplicate almost every trick I saw at that convention." He was in top physical shape from working nights as a dustman and soon he was off to Barcelona, brazenly juggling in the streets. "I realized I wasn't nervous. I'd never done any performing but juggling awakened in me something I didn't know I had."

He has worked out several routines and does parties, cabarets and bar mitzvahs. After class that day he would perform at the London Dungeon for a group called The Descendents of the Tortured. "I am going to wear my medieval jester suit," he said. He also has a boiler suit, a Victorian suit and a flashy street salesman's suit. He prefers character juggling to what he calls the razzamatazz act that fills in eight minutes between the strippers and he has prudently invented a patter to cover those buttinged moments known as drops.

His students include actors, a postman, a journalist, a 60-year-old barrow boy and a fireman. "A strolling medieval minstrel comes by sometimes to teach," Tim Bat says. Two of his students have gone professional and the fireman is planning to. Tim Bat says only three students have failed to learn to juggle three balls within the space of an hour and a half.

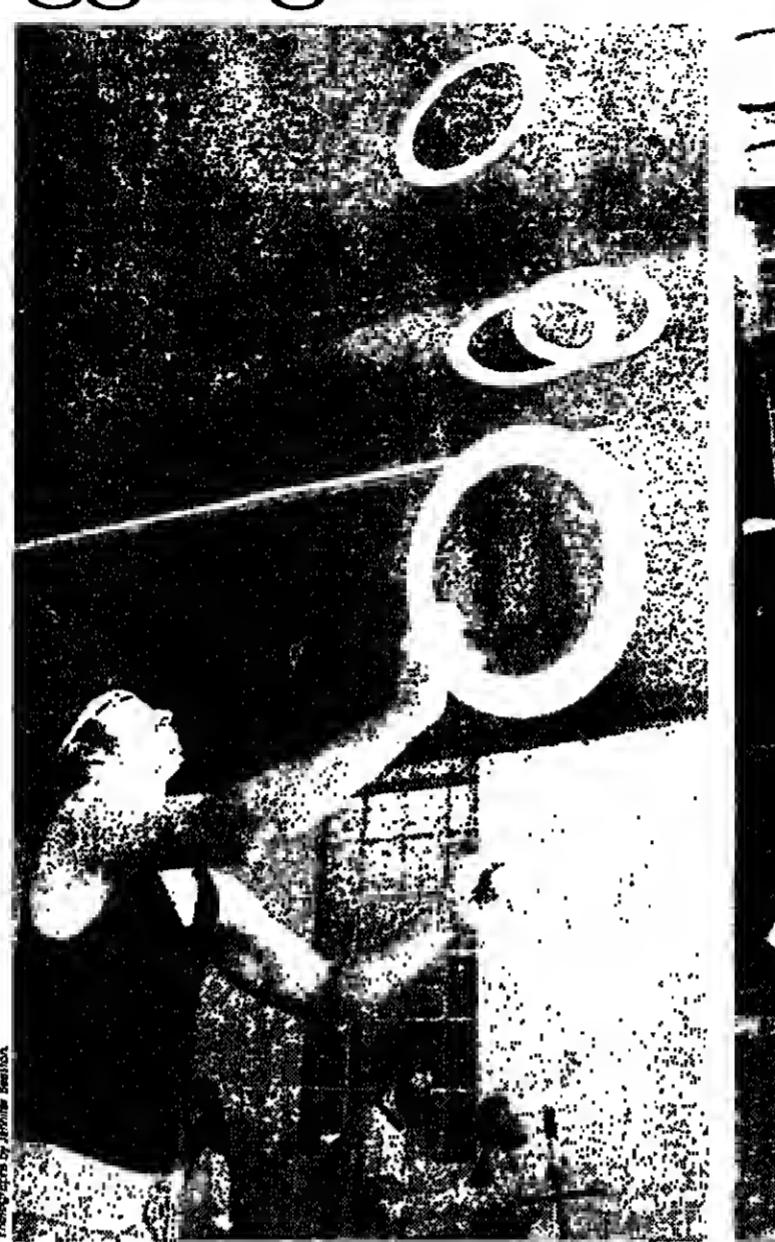
"I have my own method, it stops people from worrying about it being three balls. I love to see the excitement on their faces. It's the most gratifying activity I know of except for drawing the human figure."

Two beginners are earnestly facing the wall and tossing two balls, awaiting the fatal moment when Tim Bat will produce a third. "It is not a catching game, it's a throwing game," a friendly three-ball student advises. Tim Bat announces that he will say a few words on juggling four balls. "The effect is of the balls being attached to each other," he states, which is very few words indeed. His next discourse will be on the double-headed shot.

Everyone looks intense and happy. "One girl was so shy," Tim Bat says. "When you start you're going to be nervous but the moment you start doing simple stuff that's well within your ability you relax physically. It takes so much concentration you don't have to think where to look."

One student is tall and very self-contained and young. He is skillfully trailing balls over the backs of his fingers as if they were trained mice. He is also good at picking up a fallen club with his foot. He is the chief chef at Fortnum and Mason. He likes to juggle at parties, but people get bored. Luckily there is always the Fortnum and Mason kitchen. "There are lots of things in kitchens — whisks, spoons, eggs. Eggs? Eggs are quite easy, they're a good weight."

Tim Bat recommends that students use tennis balls in which a small slit has been made and raw rice inserted. Oranges are fine but they split after a while. Beanbags are excellent, dogballs from pet shops make too much noise when dropped. Beginners are advised to juggle



At the Pineapple Dance Center, under the watchful eye of Tim Bat (seen practicing, center) students have their ups — and downs.

over a sofa or bed so their drops won't disturb downstairs neighbors. "If people are at loose ends juggling gives them a sense of fulfillment," Tim Bat says. One imagines all the lonely people and the tennis balls thunking onto sofas in beditters. Would juggling have changed Eleanor Rigby's life?

Juggling is as old as the three-ball cascade.

The current craze in England can probably be traced to the stage appearances in London of four Americans called The Flying Karamazov Brothers who, of course, started off in California.

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"All that talk about yoga and meditation makes me laugh," the Fortnum and Mason chef says. Tim Bat amiably goes along with it.

"Yes, you could call juggling moving yoga. It's similar to Tai-chi, a Chinese form of meditation in action, which develops contacts with gravity and with oneself."

"I don't say as an aid to meditation I am going to teach you the reverse cascade because they don't want to hear it," Tim Bat adds.

One of the oldest American juggling clubs is at MIT. "Mathematics and computer sciences are riddled with jugglers," says Chris, the Canadian film producer in Tim Bat's class. "It's a certain kind of aesthetic — it attracts people interested in mental manipulation of concepts."

Chris' juggling partner, John, an American

math teacher, took up juggling 11 years ago while bored in the Yukon and continued his studies in Greece. His feelings are less exalted than Chris', who sees juggling in terms of a sense of community — "one nice thing is helping people" — and of self-awareness. "It's a question of self-esteem, you prove yourself to yourself," he says. "It's like meditation, all the static in your mind is eliminated."

Chris performs at parties. John doesn't. "I juggle in classrooms," he says, "to keep the kids awake."

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math teacher, took up juggling 11 years ago while bored in the Yukon and continued his studies in Greece. His feelings are less exalted than Chris', who sees juggling in terms of a sense of community — "one nice thing is helping people" — and of self-awareness. "It's a question of self-esteem, you prove yourself to yourself," he says. "It's like meditation, all the static in your mind is eliminated."

Chris performs at parties. John doesn't. "I juggle in classrooms," he says, "to keep the kids awake."

over a sofa or bed so their drops won't disturb downstairs neighbors. "If people are at loose ends juggling gives them a sense of fulfillment," Tim Bat says. One imagines all the lonely people and the tennis balls thunking onto sofas in beditters. Would juggling have changed Eleanor Rigby's life?

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"I don't say as an aid to meditation I am going to teach you the reverse cascade because they don't want to hear it," Tim Bat adds.

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Where Guidebooks Are Coming From

by Richard Eder

PARIS — "Go with me," the classical guidebook commanded, calling itself, for that reason, "vade mecum." Guidebooks emerged when grand tours began to go under: those arranged in lordly fashion, using servants and letters of introduction, and those carried out more rumbustiously — Dumas brawling through Andalusia. Borrow busboydizing his way around what he chose to call "Wild Wales." They gave place to the institutionalized timidity of the Victorians, who preferred books to introductions, as being more likely to unite a decent moral tone with thorough instruction. Hence Baedeker.

Guidebooks have since sprouted in every direction. The heirs to Baedeker flourish: Blue Guides and Nagel's guides, detailing village by village and mile after mile. They are soberly written and ostensibly without angles or color. Only ostensibly: The notion that the world has an intelligent history that has deposited artifacts that are worth seeing and, furthermore, ought to be seen, is colorful enough these days, if you think about it.

They are the guidebook as ideal: and, perhaps, as obstacle. They set out a trip as dozens or hundreds of goals, with a notion that traveling does not consist of losing yourself in keeping your own. They sharpen the edge of anxiety, as if their main point was not so much to see things as to make sure that you haven't missed any.

As for seeing perhaps they do go in the way: They are the anatomical chart of the real object, and a tourist standing in Chartres cathedral and following the ogives in the guidebook is seeing things by a kind of mental black light that illuminates something indisputably real about the place — but not precisely the thing that makes it worth coming so far to see.

* * *

The travel guide is not simply a book: it is a person, as well. The Blue Guide has been to an expensive college and prefers to be known as

Le Guide Bleu. Its traveling clothes are well-cut and even if it doesn't list restaurants it makes a point of going to good, not necessarily expensive, ones. It has been to them before, and is greeted by the proprietor.

Nagel went to a state university where it studied harder than Blue Guide, didn't have such a good time, but got better marks and a Ph.D. Its clothes come off the rack and whenever it decides to eat, it makes notes during the meal. Nagel thinks, is a dilettante.

Neither has much use for Fodor's, which is noisy and travels with its wife and another couple. (Blue Guide has been known to sneak a Fodor's in the bottom of its suitcase, though, for a little light reading.)

Fodor's has very good time, picks up a touch of something in Siena that doesn't last, though, buys presents for the children and doesn't remember every place it visited.

A nice tweedy lady of a certain age at the next table is going through Fielding.

Arthur Frommer's *Dollarwise Guide* has just bought a \$600 guitar because they are cheaper here, and you get workmanship. It has an ant problem from time to time owing to the cheese and chocolate in its luggage.

"Paris at Night" stays in its hotel each evening reading about it.

"France en Jeans" is the nice of a friend. It did a French civilization summer course at Aix-en-Provence, is heading out to Rennes with a bunch of kids it met, and would like to leave its three suitcases with you for a week or two.

Michelin is not a person; neither the red one nor the green. It is a universal condition, a filer's manual, a navigational chart. What it makes you wonder about, though, is the other hilltop town you pass by on your way to a started town: the restaurant down the street from the starred restaurant, the hotel across the square from the recommended hotel. Is Michelin economizing a great swatch of the world, putting it aside in a kind of forest reserve so it won't get worn out by tourists? Such a pristine air these non-Michelin places

have, like untracked snow. And the day a shopkeeper tells you about an unlisted restaurant her family goes to, and you go: Is it as marvelous as it seems, or only so for not being written down?

Traveling occurs between the lines of the guidebooks. But what would we do without the lines to start off from? Guidebooks can replace vision with self-consciousness — for the guide-traveler the church's name exists before the church does — but they also reassure. Most of us can't tolerate unbelieved strangeness. The thing to do is leave the book in the hotel room by mistake every third morning or to read its map backward and go the other way.

* * *

Anyway, the books have other uses. Anticipatory reading, for instance, for a journey that may take place never, or only years later. To imagine Denmark is a very fine thing: I won't say finer than going there, but fine in its own way. "From Horseris to Aarhus the main road (A 10) runs past the Yding Skovhøj Hills, the highest point in the whole of Denmark (173 m) on left, and then through Skanderborg, situated on a beautiful lake," Nagel says.

Aarhus is a sweeping white-walled town with a view for miles. The Yding Skovhøj Hills are emerald green; and Skanderborg Lake is turquoise laced with purple. Later, if I ever go there, who knows what these places will really look like; but they will look better, in any case, because I imagined them.

Or retrospective reading. After a day traveling to Doune Castle in Scotland, or to Baedeker and Kullin, past Loch Tay and under Ben Lawers, and from there to Aberfeldy and Pitlochry. After dinner, Blue Guide tells me of one of my stops:

"Garnison House (garden open, 3 m.s. to said to have been visited by Chopin, who composed the schottische, the popular Scottish country dance for Miss Garganock."

Oh, Miss Garganock: I was there too.

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••••• From the Village to City in Ancient India

••••• Covent Garden Market — To May 8: Covent Garden Stamp Festival

••••• Hayward Gallery (tel: 923-57,08) — To June 13: "In the Image of Man" exhibition illustrating London's early aviation industry

••••• Hotel de Ville de Paris — To May 16:

••••• "Pacini" exhibition

••••• Musée d'Art Moderne de la Ville de Paris (tel: 723-61,27) — To May 9:

••••• Five Modern Chinese Painters" To June 13: "Fernand Léger and the Modern Spirit 1918-1930" To June 13: "Geer Van Velde"

••••• Musée du Louvre (tel: 260,39,26) — To August 9: "La Naissance de l'écriture" exhibition of cuneiform and hieroglyphs

••••• Musée de l'Orangerie (tel: 261,54,10) — To June 26: "Dame la Vie" of Tolosa d'Or, art of ancient Gòtic, Georgia

••••• To August 9: "Le Naufrage de l'Écriture" exhibition of cuneiform and hieroglyphs

••••• Musée de l'Orangerie (tel: 261,54,10) — To June 26: "Dame la Vie" of Tolosa d'Or, art of ancient Gòtic, Georgia

••••• To August 9: "Le Naufrage de l'Écriture" exhibition

••••• Musée Rodin — To June 28: Robert Wlérick sculpture

••••• Palais des Congrès (tel: 758,27,78) — To June 13: Kirou Ballet of Leningrad

••••• Théâtre Musical (tel: 233,44,44) — To June 10: Valery Mancuso, Alexis Galpérin, Sylvie Castera piano (Beethoven, Paganini, Liszt)

••••• Théâtre de la Ville (tel: 224,22,77) — To May 10 to 15: "Ulysse," Groupe Emile Dubois

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Snowflake, the One and Only

by Anne Sinclair Mehdevi

BARCELONA — Sixteen years ago in the Rio Muni district of Equatorial Guinea, a find was made as rare as the Koh-i-noor diamond: a pure white, bisected baby gorilla weighing just over 14 pounds. The event was world news, in its way, since no albino gorilla had ever before been seen or mentioned, not even in legend. He was immediately named Little Snowflake.

And what happened to Little Snowflake — or, as he is called here at the Barcelona zoo, Copito de Nieve? From the beginning he was lucky. The Guinean boy, Mane, who found him was employed in that African country by the Centro Iberia, a Spanish research project devoted to observing gorillas and other primates in their natural habitat.

Snowflake was handed over to Jorge Sabate Pi, one of the world's foremost primatologists, who was stationed at the Centro Iberia. Even Sabate was a bit baffled. Very little was known about rearing baby gorillas; although gorillas have been exhibited in zoos since the turn of the century, the first successful gorilla birth in captivity had occurred only 10 years previously — in 1956 at the zoo in Columbus, Ohio.

Sabate took Snowflake home to live with him and his family and, apprisedly, he experimented with various diets — yoghurt, handcake, bananas and acacia leaves.

"It was a tremendous responsibility," says Sabate, a slender, gray-haired man of youthful appearance, although he has spent 25 years in the debilitating climate of equatorial Africa. He is now a professor of anthropology at the University of Barcelona and a senior conservationist of the Barcelona zoo, with more than 60 publications to his name.

As if there was any truth in the rumor that Snowflake had been abandoned by his mother because of his startling whiteness, Sabate retorts, "What nonsense! He was already 3 or 4 years old and sound as a nut, fortunate for us. Baby gorillas are very fragile and delicate, weighing only 1½ kilos at birth."

Snowflake was found in the following circumstances: One night several families of gorillas invaded a village plantation where they began to devastate saplings and crops. The villagers started out, beating copper pots and yelling at the top of their voices to scare away the gorillas. Snowflake and a few other babies, not so nimble as their elders, were left behind.

After a year of home care, Snowflake was taken to the Barcelona zoo, where he became a star, as he is today. He is still called Little Snowflake, a glaring misnomer now that he



The young Snowflake.

weighs almost 400 pounds. He is about 20 years old, the prime of life for gorillas, who often live to be 40.

"Has he ever fathered any children?" Sabate is asked by someone who has heard that male gorillas, despite their ferocious appearance, are shy and timid lovers.

"Any children?" Sabate responds, astonished. "He holds the world record — 17." All have been black, for albinism is a recessive trait. However, according to the laws of genetics first established by Gregor Mendel, all of Snowflake's offspring carry the gene of albinism and when they are mated there is a possibility that one of the grandchildren may be albinistic. This, of course, is Sabate's hope.

Unfortunately, only six of Snowflake's children have lived, though the zoo has a special primate nursery. None of the survivors is yet over 7, the age of puberty for gorillas.

Snowflake and four of his brood live in cages without bars, separated from the public by plate glass. So do two of his pregnant wives. In fact, the inmates of the gorilla house seem to be displayed in showcases. Two remaining infants are in the nursery. The plate glass not only prevents well-meaning peanut and popcorn throwers from feeding the animals, but also keeps not-so-well-meaning visitors from tossing in plastic containers and cigarette butts. It also, mercifully, seals off the visitor's passageway from the usual gashly monkey smell.)

While the genetic structure of gorillas is more complex than that of Mendel's dwarf and tall pea plants, Sabate is not without hope that the world's second albino gorilla will be born sooner or later. Snowflake shows no signs of losing interest in the opposite sex.

China's Cuisine

Continued from page 7W

Showed that standards and culinary skills are spread quite evenly through various levels of restaurants throughout the country.

There are, to be sure, aspects of dining in China that are downright unpleasant. As we traveled through the country in mid-March, winter had not yet given way to spring, and we froze. Unheated restaurants were no match for our unlayered Western dress, and we gave in, dining in French courts at nearly every meal. By the end of the trip, my Burberry looked like a gastronomic map of China: a splat of *hoi sin* sauce on the left sleeve, a smudge of sweet and sour sauce at the right elbow, a dribble of Tsingtao beer down the front.

A good number of the dishes in each town were pedestrian, bland or indifferently prepared, a problem I ascribe to the chef's lack of skills, to his boredom or perhaps to a simple lack of challenge and inspiration. Chefs have become such superstars in the Western world, we forget what it might be like for a 14-year-old who is plucked from the crowd, willingly or not, and told that his lifelong job will be to chop, slice and stir fry for the good of the fatherland.

Interviews with chefs made me sad, seeing how removed many were from the food, its history and development. The very qualities that encourage anyone to thrive in his profession — interchange of ideas with colleagues, opportunities for advancement, the adrenaline released by the challenge of competition — are all lacking here. In a game restaurant in Canton, I naively asked the chef to name his favorite dish in the restaurant. "Oh I don't have a favorite, I can't afford to eat the food I prepare here." Then how does he know when the dish is done, the seasoning correct, the proportion of ingredients right? His answer seemed logical, but said: "We taste it the first time we make it, then make it the same every time after that."

The most memorable meal of the trip was at the Chengdu Cang Ting in Chengdu. A Sichuan banquet had been arranged by the director of the local chess school and proved to be a model of how a Sichuan banquet should progress, moving from cold to hot, spicy to bland, sweet to sour, crispy in tender, from wild and fragrant to mellow and subtle. I'd fly back to Chengdu tomorrow just to sample the fresh bean sprouts, smothered in coarse slices of fresh garlic and hatched in pepper oil. I'd consider it a triumph if I could recreate the delicate, green tea-and-camphor-smoked goose, served with soft, yeasty lotus buns to dip in spicy salt. Peanuts showed up again, first as a cold dish, stir-fried with spices, sugar, salt and wild peppercorns, and later in a hot dish, with chunks of rabbit, hot chilis and fresh scallions.

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Street-side dining in Sichuan province.

If the city of Shanghai takes you back to the 1940s, then Shanghai's Old Town transports you in the turn of the century. The charming ramble of a tea house set at the edge of Yu Yuan park is like a stage set, conjuring up the image of what we Westerners think old China must have looked like. Ask for a seat near the large open windows overlooking the lake, which is filled with every size and shade of goldfish imaginable. This pagoda in the center of the lake serves up wonderful Shanghai pastries, including little beggar's purses filled with shrimp, for dipping in mild rice vinegar, whole steamed baskets of pastries stuffed with pork and shrimp and spinach, as well as thin and tender wheat noodles, blended with pork and mushrooms.

This is also one of the few restaurants where foreigners can easily dine in the same room as locals. And if you want to view the kitchen simply walk out the front door, turn right and from the wide windows on the street you can watch the staff preparing the delicate pastries.

What does all this gastronomic indulgence cost? Prices vary. There are two pricing structures in China: one rate for foreigners, another for the local Chinese. In most cases, the foreigners' price is exactly twice that of the residents' rate.

Our bills varied from 1 yuan (about 55 cents) for a pleasant dinner at the Xian airport, to 50 yuan per person (about \$28) for the Chengdu banquet. Most meals averaged 10 yuan each, at the foreigners' rate. Since a mid-

income Chinese professional earns about 80 yuan a month, it's obvious that his family dines out infrequently, even at half price.

Most of the Chinese one sees at restaurants such as those mentioned are either doctors or party officials or overseas Chinese businessmen and tourists. When the average Chinese professional does dine out, it's usually a special occasion, such as a wedding. In Shanghai, we were able to share in two wedding banquets, gatherings of 100 or more that were festive and mildly raucous, a much-needed change from being closeted away in foreigner's heaven.

A note on menus: Few restaurants offer English menus, but many said they were in the process of preparing them. This means anyone who doesn't read Chinese is at the mercy of his guide or friends who read and speak Chinese, since few waiters and waitresses speak English. When ordering in advance, for banquets or small group meals, the hotel staff can make the necessary arrangements. Generally, you will be asked how much you are willing to pay per person, and the restaurant itself selects the menu from the dishes being prepared that day.

Despite the enumerated negatives, I'd go back to China tomorrow. No other nation offers a cuisine that combines such style and variety with freshness and simplicity. And as China plows through the rubble of the Cultural Revolution and moves headlong into the 1980s, let's hope that its chefs will be allowed, and inspired, to take up the challenge before them.

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The art market

Henry Moore, Self-Cast Monument

by Jeffrey Robinson

MUCH HADHAM, England — His hands seem unusually delicate, all the more so since Henry Moore has spent most of his life with a hammer and chisel, pounding on stone.

Those hands are constantly moving as he sits there, either rubbing the side of his leg, or playing with pencil as if to imply that he would rather be drawing than talking.

"Did you really think you could come here and discover something new?" he asks. "So much has been written already. The story has been told." Henry Moore doesn't give interviews; he gives lectures — a well-rehearsed, well-played speech.

"Nine-tenths of life is common sense. Just common sense. Look at Michelangelo. He was the most practical man. Do you think he was simply a dreamer? Good Lord, the idea that artists are uncompromised and dreamers, that's nonsense. Where do people get the idea that artists are vague, with their heads up in the clouds? Writers generally have stupid ideas of what artists are like. Art is a person's reaction to the world. It's common sense. Just like life. People who don't understand that life is nine-tenths common sense are creating all sorts of problems for themselves."

Moore and his wife Irina have lived in this Hertfordshire village for 42 years — at the end of July that will equal half his life — and home is an added-on 17th-century farmhouse. Forty acres now surround that house, some of it taken up with sheep, the rest with nine studios in which he works, an office complex for his staff and manicured slopes of lawn with enough huge Henry Moore sculptures plunked down in the middle to make the garden path a kind of museum tour.

He employs three assistants to help him with his sculptures and graphic work, with five people to run the business of being Henry Moore. The archives alone are a full-time chore, filing and cross-filing references to his work. Sixty years' worth of work means more than 700 sculptures, about 4,000 drawings and just over 500 etchings and lithographs. Then there is the daily correspondence, plus exhibitions to be arranged, and every new piece of work to be photographed and catalogued.

He does his own maquettes, but the studio assistants are the ones who blow the sculptures up to larger sizes in stone or bronze — always, a visitor is reminded several times, under the stern eye and approval of Moore himself. Nothing whatsoever leaves here signed Henry Moore without his personal approval every step along the way. And when his assistants say how hard they work, a visitor quickly finds out it's because Moore works ever harder.

"An artist must keep working. I work every day. I get up and I go to work. I mean, if I ever retired, what the hell else would I do?"

At first glance he looks more like some kind of gentle elder statesman or even a classics don from Oxford. But then he is Henry Moore, whose editioned bronzes can fetch prices above the \$175,000 level and whose stone carvings can go for three, four and five times that, depending on size.

Shows of his work are booked years in advance, and there is no such thing as a small Henry Moore exhibition. They are always major happenings. He is one of those artists who

have reached that pinnacle where everything they do can be sold, where people actually wait in line to buy their work, where their work is traded and sold like a commodity. His is, in a very real sense, a kind of fame that brings with it a license to print money. But this is not a man who lives the lavish life, and when asked about the business of his art, he shys and uncomfortably backs away.

"What I don't like about being famous is interviews. I've also fed up with the business of art. I could be pestered every minute of the day if I let people do that. But I don't want to be. I just want to keep working. I enjoy having exhibitions, even if I can't always go to them, and if I didn't have exhibitions I'd be miserable, like a writer who can't publish his stories. I enjoy showing my sculptures and my drawings, and I draw as much as I do sculpture. If you can't draw, you can't be anything in art. Drawing is the basis of visual art. To draw is to learn about the world."

As a young man, he wrote a novel, or at least started one. Nothing ever happened to it. Then he wrote a play, and this did get produced a few times while he was in school. It was a romantic play — he remembers that much about it — but is not sure about the title. He says, he made up names for it, something like Naragan and Botano. He doesn't remember, however, if that was it. He fought in World War I, saw action in France, and was one of the very few British survivors of a battle at Cambrai. In later years he was known among his friends as a fairly competent joggler. He is said always to carry a tape measure in his pocket and is supposedly quite expert at guessing the size of anyone's head to the nearest quarter-inch.

He is also a man who enjoys playing a kind of parlor game with his visitors, and when they try again and again to pin him down to something concrete about his world that isn't part of his interview-lecture, he closes up his studio and goes back to his living room for what he refers to as "a test." His house is filled with books and sculpture and what seem like thousands of objects that he and his wife have accumulated. Many of the paintings and drawings on his walls are by other artists, but he doesn't care to talk about other artists, especially his contemporaries.

"Except that I will say Picasso was the best in my lifetime. Miró is also very great. And so was Sandy Calder. I liked him very much. We were born within a week of each other. I forget if he was born seven days before me or if I was born seven days before him. But I do remember that he made me laugh. Anytime we discussed something and wouldn't agree, one of us would say to the other, 'Don't forget that I'm older than you.'

"But I don't like to talk about other artists. It's not fair to criticize some and praise others. It's silly for me to throw around opinions."

And then he says, "Instead, let's see what you know."

The game begins. He sits down on his couch, resting his chin on his cane, and motions toward a stone carving from a 14th-century Italian church. "What's that?" On the spot, his visitor stabs at "Eighth century?" He says no, and reels off a few sentences as a history of the piece before moving on to a drawing. "Who did that?" The visitor fumbles with "It's very beautiful." He retorts "Degas." Then he shows a small sculpture of his own with three figures. "And that?" The visitor hits lucky with "The



Henry Moore.

In the Bargain Basement

by Sourou Melikian

PARIS — In the last two years or so, Paris auctioneers and their experts have developed a new type of low-keyed modern art sale that has no equivalent elsewhere. To many buyers this type of auction holds far-greater appeal than the brilliant London auctions, yet these unassuming Drouot sales get no coverage whatever in the media — for reasons that lie precisely in the factors that make them interesting to art lovers who are not prepared to spend a minimum of \$8,000 to \$10,000 every time they are after a painting.

The sales' common characteristic is that they offer a majority of items worth anywhere between 600 francs (about \$100) and 12,000 francs, with a small number peaking at 25,000 to 30,000 francs. The heaviness of the London machinery makes it virtually impossible for Sotheby's or Christie's to handle such low-priced items. Those houses might at best throw in a few pieces as an *bon d'œuvre* to their big auctions. But they could never afford to build a whole sale on them, as was the case with the auction of Modern Master Paintings and Sculptures conducted at Drouot this week by Catherine Charbonneau, with the assistance of the expert Philippe Maréchal.

The auction included 172 lots, starting with Charles Lapicque's "Deser" — a litho — and ending with Catherine Zubitchenko's "Prophète" ("Preaching and Prophet"). A good 20 lots deserved serious consideration.

Right at the beginning, there was a remarkably good Cubist drawing in black pencil done by the Russian expatriate Naum Gabo in 1933. The outline was perhaps a shade pale and the paper had a slightly yellowish hue to it, which made the drawing less attractive than it might have been half a century ago. Nevertheless it was a highly desirable piece well worth its 14,765 francs.

A few minutes later this was followed by another very good drawing that would hardly ever find its way into a London sale. The sketch in pen and ink showing a cluster of trees near a bridge was done in 1923 by Marcel Gromaire. It shows no trace of the mixture of Cubism and Expressionism in which Gromaire indulged around that period. As such it would be called uncharacteristic by purists who might choose to ignore its quality. It would certainly not be regarded as glamorous but the buyer who got it at 6,300 francs — just under \$1,000 — was well inspired: The draftsmanship is superb.

However, the best bargain among drawings came shortly after, when an abstract composition in the Cubist style done in black and ochre crayon by Christian Boumeester was laid on the block. It is dated 1938. Although a pure product of the Paris school, it reflects the influence of the Bauhaus school. Yet it is highly original in its handling of streamlined shapes as well as in its color scheme, and it displays that fine sense of suspended movement typical of the artist's manner. For anybody who likes modern painting, it is hard to do better than that at 2,244 francs, but it would be impossible in London. Such a low-priced item would not be admitted into the lofty — and expensive — catalogs.

What is true of drawings applies even more to certain types of paintings. A little-known painter working in a style that is currently not in

great demand will never be seen at auction in London. That is precisely the definition of Georges Breuil, a French master who never made a name for himself, although he has produced some splendid abstractions: works. At Drouot he was represented by a large composition, 100 by 81 centimeters, titled "Les Soleils" apparently because it shows two big sunlike discs with concentric halos against a background suggestive of a grainy wall surface. It was knocked down at a laughable price — 1,276 francs.

The reason for the low prices paid for modern works in a modern style by little-known artists is that dealers won't touch them and that private French buyers, who are fundamentally conservative, go in mainly for the figurative.

The "expensive" works in such sales are therefore those that remind the spectators of the Impressionists and Post-Impressionist masters. A large-size pastel signed by Paul-Elie Gerner (1886-1948), for example, whizzed to 19,782 francs. The subject is very much in the manner of Edouard Vuillard: A woman in a white apron is shown sewing with bems bead over a round table in an old-fashioned sitting room. The brushwork and the dark palette owe something to Edouard Manet, the first-generation Impressionist.

Similarly, bronze sculpture done by Louis Derbri in the 1950s and '60s in a style that goes back to the Art Deco period and even earlier was very successful. "Terre III," showing two acrobats in the nude, went up to 18,110 francs. "Le Rêve," a woman in the nude seated on a chair, base looking down demurely, is one of five specimens cast in 1954 but stylistically looks like some of Jules Dalou's nudes of the late 19th century.

Needless to say, the low-keyed sales of modern art held at Drouot get little advertising other than short notices in trade journals — it would not be economically feasible. They are accompanied by catalogs that are sparsely illustrated, again for the same reason. Once the sales take place, no mention is made of them. They are not events like the big mid-autumn, early spring and early summer sales of "Impressionist and Modern Master Paintings" in London or New York. Therefore they do not make headlines.

The auctioneers and experts are unlikely to draw attention to them. They have no particular wish to dwell on how relatively cheap a given painting may have been — it could turn off future vendors. On the other hand, the "good" prices from their viewpoint — those that are higher than expected — are not much more glamorous. A tiny Ruiz Morales view of the Opera in pen and wash that sold for 1,856 francs may be excellent for business but not for advertising: The figure is too low in absolute terms and the name means nothing to most people.

Yet, little by little, such low-key sales could do a lot to enhance the image of Drouot. They are well thought out. They offer a good deal of what a majority of the public is after — works of art at sensible prices. And they are held frequently, about once a week. Finally, experts such as Philippe Maréchal who play a key role in putting them together, that makes it possible to follow them closely, an entertaining and occasionally profitable exercise for anyone with a genuine interest in 20th-century art.

Naïve, and Sometimes Ingenuous, Art

by Michael Gibson

NICE — Anatole Jakovsky started collecting naïve paintings in 1940 and has since written several books on the subject, including "Les Peintres Naïfs," which was translated into English and German. Some 40 years after he took up this specialization, Jakovsky offered Nice 600 works from his collection and the city has just inaugurated its Musée International d'Art Naïf Anatole Jakovsky (Château Sainte-Hélène, Avenue Val-Marie) in a palatial neoclassical residence it acquired for the purpose.

The collection is often charming, though nothing in it has the awkward grandeur of Douanier Rousseau's big compositions. It is also wide-ranging, since it includes not only French naïfs, but also an important choice of Yugoslavs, Germans, Haitians, Brazilians, Americans and Belgians.

Among the most convincing works are a series of anonymous French paintings (probably 19th century) that Jakovsky acquired at the Flea Market before that Parisian institution turned into just another tourist trap. The innocence of such works cannot be doubted, whereas we cannot always be sure of works done after World War II.

I recall meeting a wealthy and fashionable Brazilian woman in a naïf gallery some years ago and hearing her declare: "I am a naïf painter." She was, no doubt, to the extent that her work was shown in that gallery, but it can be convincingly argued that an authentic naïf would be the last person to apply the term to himself. An authentic naïf cannot possibly realize that he is a naïf — any more than a child would tell you that he produces children's drawings, or a mental patient that his works are "schizophrenic art." In other words, if someone describes himself as a naïf it implies that he has chosen to paint in a style that is now well defined and generally recognized. He certainly does not have the indiscriminating innocence that is the mark of the uncommercial naïf. The Brazilian woman was ingeniously unaware of her fundamental lack of authenticity — a naïveté, if one wishes, but not an artistic one.

Rousseau, on the other hand, (to consider that archetypal of naïveté), was solemnly striving after an academic ideal that he earnestly admired. His innocence was not stylized; he grew from his inability to distinguish clearly between fact and fancy.

Another authentic naïf was the

Yugoslav Ivan Generalic (who is represented in the Nice museum, though not by a major work). He showed a taste for drawing even when he was a young cowherd, and his initiation to painting was due to an encounter with the painter Kristo Hegedusic who became a popular foundation of art. This encounter ultimately produced a whole community of peasant painters — many of them represented in the Jakovsky collection — the most remarkable of them being Generalic himself.

One might say on the basis of these two examples that an authentic naïf is someone whose horizon is relatively limited for reasons of character or of social circumstance but whose emotional perception of life is unusually intense. This is by no means true of all the people represented in the Jakovsky collection, some of them expressing themselves in a style that would not have looked entirely out of place on the cover of the New Yorker — hardly a hallmark of either innocence or force of emotional perception.

The shortcomings of the collection stem from the failure on Jakovsky's part to define what an authentic naïf is. His prose on the subject is impressionistic, confused and occasionally polemical in a vaguely blustering way, and the catalog, which is abundantly illustrated, fails to provide essential information.

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Another authentic naïf was the

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That is precisely what did not happen. It shows no sign of suggestion of a price.

in a modern style and that prove that those that remain in the manner of the first-generations, for example, serving with the best in the 1900s and even earlier were in the mode, went on a wave in the late 19th century.

held at Drown's annuals — it would catalog that was like the big hits before they do in attention to the tiny Ruiz Mora \$36 francs too large to be sold to enhance for a good deal at sensible prices, experts said them together as such sales. The and increased in 20th-century

insight into the represented and one can expect to find; that is, the grader issue of books. Nor would the last sort of book, Jakob's fine Paul Gericke's book, been able to find has among its lasting important art, there in that the title nucleus for a

The high concentration of aid in the region assures the a continuing level of long-term resources.

Aid Pipeline

By Juan de Onis

LATIN AMERICA'S access to international development assistance is being threatened by a shrinkage in official foreign aid — particularly from the United States — and competing claims from poorer Third World countries, including China.

For this year, and probably the next, the impact will be slight on the level of new loans to Latin America from the World Bank group, the Inter-American Development Bank and the Agency for International Development because of existing capital resources in the aid pipeline.

But the refusal of the Reagan administration to make any commitment on new "soft loan" funding for the World Bank's International Development Association or the IDB's Fund for Special Operations points toward a phasing out of long-term, low-interest foreign aid as it has been known for the past 25 years.

Shared Funding

"The situation about 1983 is very uncertain because the long-standing agreement among the donor countries on shared funding of multilateral aid has broken down," said a World Bank official.

The World Bank Group, which includes the International Finance Corporation, a source of capital for private enterprise in developing countries, has been the largest single source of official development assistance. The loans to 24 member countries of the bank during the fiscal year that ended June 30, 1981, totaled \$3.5 billion, including IFC operations. Loan approvals for this year are running at about the same level.

The IDB is next in importance, with almost \$2.5 billion in loans during 1981, which brought total IDB lending in the 21 years it has been in operation to over \$20 billion. IDB's members now include Canada, Japan and 14 west European countries that are capital contributors, as well as AID operations, which include development assistance loans and economic support funds.

If the Reagan administration can get the U.S. Congress to go along with increased economic assistance for the Caribbean and Central American, which Washington sees as a key area of conflict with Cuban and Soviet-backed insurgents, AID's funding level for fiscal 1982 would rise to \$3.7 billion.

Of this total, \$350 million would be concentrated in the Caribbean-Central American region. They would go almost entirely to Peru, Ecuador and Bolivia, if the Bolivian military regime takes effective measures against cocaine exports to the U.S.

Mandate on Lending

The IDB, under a mandate to concentrate its lending in the poorer countries and social sectors of Latin America's 360 million people, made \$498 million in loans, or about 20 percent of last year's total, to Central America and the Caribbean, including 48 percent of the \$569 million from the "soft-loan" Fund for Special Operations. This was a far higher proportion of per capita aid for the 37 million people of the Caribbean-Central American region than was assigned to the rest of Latin America.

The high concentration of aid in the Central American-Caribbean region, partly because of U.S. political interests, assures the small economies of this region a continuing level of relatively low-interest, long-term resources. This is also the region that is receiving \$350 million a year in

(Continued on Page 12S)

Managed Economies Impress the Lenders

By Michael Frenchman

ONE OF the major sources of development financing in Latin America is from the World Bank and the International Development Association, which in the 1981 fiscal year allocated some \$3.153 billion to the region. This was \$469 million more than for the previous year. Another \$1.53 billion was committed under cofinancing arrangements, down of 42 percent compared to 1980.

Altogether 53 loans and credits were approved mainly for projects in the agricultural and energy sectors of development, which took 29 percent and 23 percent of the funds respectively. Bank loans to borrowers amounted to \$1.654 billion and IDA credits came to \$68 million. During 1980, the figures were \$1.414 billion and \$35.3 million respectively.

Although many countries in the region have faced serious economic problems during the last year, according to the annual report of the World Bank, it appears to have been impressed by the realistic response of some governments to their difficulties.

The Energy Scene

Commenting on the energy scene it notes that two of the major oil producers of the region, Mexico and Venezuela, have initiated their oil disbursement facility to poorer members of Latin America and the Caribbean. The value of exports of all products from the region in 1981 rose by one-third from the previous year to \$94 billion. But this was largely accounted for by a 49-percent increase in oil exports from the five exporting countries. Fifteen countries with the largest oil import bills are now spending approximately two-thirds of their export earnings on oil imports and debt servicing. This has made internal corrective economic management difficult in many cases.

One country that has adopted an innovative approach to the energy problem and has at the same time boosted its export trade is Brazil, which has embarked on an ambitious energy substitution program.

Brazil has intensified its energy-development program both onshore and offshore in its efforts to discover and exploit hydrocarbon resources. It has accelerated many hydroelectric projects and launched the controversial National Alcohol Program (Proalcold), which is an alcohol substitute for motor gasoline fuel. This began in 1970 with a 6-percent blend in the mid 1970s to about 20 percent in 1980. Last year a \$500-million program supported by a \$250-million loan from the World Bank was initiated to continue the modification of car engines to run on straight alcohol. In the previous year, about 250,000 cars made in Brazil were

(Continued on Page 12S)



THE PROJECTS: These photographs from the Inter-American Development Bank show some of the projects where aid was

funded for Latin American development. From left, members

of an agricultural cooperative at Patzún, Guatemala, deliver

cauliflower for shipment to a frozen food plant; building a rural

bridge in Mexico; a doctor examines an infant in a health cen-

ter in Coatepeque, El Salvador; and at Buenaventura, Colombia, construction of sewerage lines in a low income area.

INTERNATIONAL BANKING

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

MAY, 1982

IN LATIN AMERICA

The high concentration of aid in the region assures the a continuing level of long-term resources.

Where the Money Went

(1977 - 1981) \$ million.

Sector	1977	1978	1979	1980	1981
Rural Development	507.0	655.5	405.0	408.0	923.2
Development finance	183.0	230.0	245.0	269.0	184.0
Education	59.0	33.7	52.5	32.0	82.0
Energy:					
Power	351.0	398.0	346.0	708.0	698.0
Hydrocarbons	—	—	—	78.5	27.0
Industry	241.0	85.0	185.5	87.5	255.0
Nonproject	26.5	30.0	156.5	80.0	27.0
Population-health	5.0	25.0	—	—	—
Small enterprises	15.0	47.0	7.0	202.0	—
Technical aid	—	11.0	—	—	1.5
Telecommunications	60.0	33.6	—	44.0	—
Tourism	42.0	50.6	52.5	—	—
Transportation	329.5	199.0	468.5	371.0	355.0
Urbanization	12.7	162.8	176.5	88.0	254.0
Water-sewerage	61.5	149.5	169.8	316.0	346.5
TOTAL	1,893.2	2,110.1	2,264.8	2,684.0	3,153.0
Of which:					
Bank	1,868.2	2,054.5	2,232.8	2,595.0	3,119.0
IDA	25.0	55.6	32.0	89.0	34.2

Sources: World Bank Annual Report 1981.

Private Banking Assumes New, Growing Importance

By Pamela Bayless

LIMA — The international monetary crisis of recent years has had one decidedly beneficial effect on development banking in Latin America and the Caribbean, according to Carlos Garatea Yori, secretary general of ALIDE, the Association of 185 Latin American development financing institutions.

"Latin American banks have become much more sophisticated through a very rapid adaptation," Mr. Garatea explained. "This is the positive element in the crisis. There is greater risk now but also greater expertise developed. There won't be a return to earlier modes of financing."

Concurrent with the crisis in industrialized nations characterized by inflation, higher interest rates and unemployment, the flow of funds from international organizations traditionally earmarked for Latin American development has lessened considerably. As a result, the past decade has seen the private banking sector assume a new and growing importance in Latin America's development process.

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"My impression is that the capital flight from Latin America is diminishing," he said. "Experience in an enterprise makes a businessman more ready to risk his capital in his own country. Doubtless, if you examine the origin of flight capital, you would see it corresponds to the more traditional economic sectors, people who don't have an entrepreneurial spirit or the attitude to take a risk. In the last 15 years, people have shown a greater desire to contribute to the development of their country's economy."

"External assistance will be utopian in 20 to 25 years," he noted. "Public resources are diminishing as those of private origin are growing. Strengthening the private sector will bring about greater internal strength in Latin America."

tougher conditions — shorter terms, higher interest rates. This is a great challenge."

Furthering a 30-year trend in Latin America, the private sector will acquire greater importance in Latin American countries, Mr. Garatea said.

"We have to be more conscious of widening the base of the private sector, to create more industries and to incorporate into the economy sectors that still are dependent on the aid of the state," he added.

"This development will create less dependence on external resources."

"External assistance will be utopian in 20 to 25 years," he noted. "Public resources are diminishing as those of private origin are growing. Strengthening the private sector will bring about greater internal strength in Latin America."

Flight Capital

The volume of savings has increased in much of Latin America, Mr. Garatea asserted — "strangely enough" due to monetary policies with the higher interest rates that have resulted.

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"External assistance will be utopian in 20 to 25 years," he noted. "Public resources are diminishing as those of private origin are growing. Strengthening the private sector will bring about greater internal strength in Latin America."

Financial Instruments

Since ALIDE's policy emphasizes developing small and medium-sized enterprises, recent years have brought new demands for the organization.

"Smaller enterprises undoubtedly suffer more from worldwide recession," Mr. Garatea emphasized, due to broadening of markets for their products. Growth of Latin America's gross product has slipped from 5 percent to 1.4 percent in two years.

"ALIDE's greatest challenge now lies in strengthening the financial operations of the region's development banks," the secretary general noted. "We're helping them to fulfill the development function by designing policies and programs to utilize new financial instruments, so they can continue attending the requirements of the economic sector to which they're dedicated."

In addition to assisting in the restructuring of project finance, he listed several measures ALIDE has taken to assist in the restructuring of project finance.

(Continued on Page 12S)

The Falklands have possibly, once and for all, brought not only Argentina but the whole of Latin America out of isolation.

Foreign Debts

By Michael Frenchman

THE Falklands' crisis has added a whole new dimension to the Latin American banking and finance scene.

Since last year's North-South meeting in Cancún, Mexico, efforts to bring about a dialogue between the two sides had been waning. The dramatic events of the last few days have ironically focused maximum international attention on South America. The Falklands have possibly, once and for all, brought not only Argentina but the whole of Latin America out of isolation — something that the politicians, bankers and financiers of the industrialized nations and the Third World countries had so far been unable to do.

No one can say as yet what the long-term effects of the present crisis will be. What is clear, however, is that both Europe and North America are likely to become inextricably involved in the financial affairs of South America. Throughout the last three weeks the world's stock markets and commodity exchanges have tended to react only marginally. But there has been a cooling off of much investment decision in the Middle East while the current position is assessed.

But the main cause of concern now will be the outstanding foreign debts, not only of Argentina, which was in a desperate position before the Falklands' crisis began, but of the rest of Latin America as well.

According to estimates from the United Nations Economic Commission on Latin America (ECLA), the total foreign debt was \$240 billion at the end of last year. This compared to only \$60 billion at the end of 1977. Current account deficits on balance of payments for the whole region amounted to approximately \$33.7 billion compared to \$27.7 billion in 1980.

Economics in Turmoil

Throughout 1981, Latin American economies had been in turmoil with the Southern Zone countries particularly badly hit; inflation was rampant, reserves falling, output dropping, and there had been increasing difficulties with debt servicing. According to the recently issued annual report of the Inter-American Development Bank, the gross domestic product for the region only grew by about 1 percent, below the growth in population. This was in fairly sharp contrast to the overall performance of the previous year when growth rate of 5.7 percent were recorded — only slightly lower than those of 1979.

In fact, IDB believes that 1981 will have been the only year for Latin America since the beginning of the 1960's. ECLA has portrayed an equally bleak picture and says it is the worst performance for 35 years. But, although Argentina's inflation may have rebounded to more than 130 percent, supereeding that of Brazil's, which had been running away during the year, there were some bright spots, particularly Mexico, which showed a temporary sparkle dented by a year's devaluation, the culmination of a series of mini-devaluations.

Nevertheless, the 8 to 9 percent growth was the only gap of four countries to exceed 5 percent in the region. Brazil, however, did achieve a remarkable turnaround with its trade figures. Last year exports rose by 15.7 percent, and the 1980 deficit of \$2.8 billion became a surplus of nearly \$3 billion.

Venezuela, the other main oil exporting country apart from Mexico, showed only a slight growth of 0.3 percent, but the government did succeed in reducing inflation from 19.6 percent in 1980 to 11.3 percent, a considerable achievement in Latin America. However, the country still has substantial problems in trying to refinance most of its short-term debts. The country's difficulties are also exacerbated by falling oil revenues and its long-term reserves position.

Widening of Deficit

There has been

ALIDE Congress to Stress Importance of Private Development Banking

Special to the IHT

THE outstanding characteristic of Latin American development banking today is its predominantly public nature, according to ALIDE, the Latin American Association of Development Financing Institutions.

Recent growth by private financial development institutions, however, has led ALIDE to stress the complementary role of private banks and the importance of the private sector in the development that is so crucial to the Latin American and Caribbean region. The theme for the association's 12th annual general assembly, to be held May 10-13 in San Juan, Puerto Rico, is "The role of the development bank in the development of the private sector in Latin America and the Caribbean."

Development banking that supports the work of fishermen in Peru, architects in Mexico and business managers in Bolivia is likely to have at least one common factor, ALIDE. Established in 1968 at a meeting sponsored by the Inter-American Development Bank, the organization now has active members from Puerto Rico, Latin America and the Caribbean, in addition to associate and collaborating members who contribute

to the area's development from outside it.

The association is the international representative of Latin America's development banks, recognized by the United Nations, the Organization of American States, the United Nations Industrial Development Organization, the United Nations Conference on Trade and Development, the Food and Agriculture Organization and the Inter-American Institute for Agricultural Cooperation.

The group's major goal is to promote and coordinate cooperation among development banks of Latin America, keeping bankers informed of investment opportunities, especially those requiring joint efforts, and also of international sources of investment financing available to them.

The writers in this special supplement — Pamela Bayless, Michael Frenchman, Juan de Onis, Linda Bernier, and Todd Martin are free-lance journalists specializing in international affairs.

Falklands Crisis May Terminate Isolation

(Continued from Page 11S)

United States, the largest contributor and shareholder of the bank, that there should be a substantial increase in funds pointing out that there was already an 8-percent increase in loan-demand forecasts.

The U.S. is anxious in make

ALIDE has signed numerous cooperation agreements with other international organizations for specific projects. By means of similar agreements, governments of Latin American countries and those of developed nations in different parts of the world have channeled their support for Latin American development through the association.

Of Common Interest

The association studies and reports on problems of common interest to development banking institutions, sponsors technical training programs for members' personnel and organizes meetings and seminars at regional and sub-regional levels. From its headquarters in Lima, ALIDE publishes extensive documentation including a monthly bulletin and a biennial survey of Latin American development banking.

Results of a recent ALIDE survey of 215 Latin American Development banks, based on bank figures from the end of 1980, show the area's development banking in expanding in both regional and international financial contexts.

In the year 1980 alone, according to the ALIDE report, "institutional, operating and financial

characteristics of Latin American development banks invested more than \$4 billion in financing and promoting development in the region. The report points out that that figure for a single year compares with total of \$52 billion spent for the same purpose for the entire three-year span from December, 1975, to December, 1978.

One striking finding of the survey was the extent to which Latin

American development banks have recently entered international financial markets, mainly to find new funds for financing local projects. In the latest ALIDE study, 30 percent of development institutions surveyed were involved in some sort of international financial activity. Four years previously, that figure was only 20 percent.

Statistics on international financing reveal, according to ALIDE,

"that not only is there a significant amount of participation by foreign funding sources in typical Latin American public development banks, but that the majority of those resources come from private banks abroad."

This change, the report concludes, reflects Latin American development bankers' adaptation to new realities and new imperatives in international financing as a re-

sult of a "significant decrease" in participation by official aid sources in development financing.

57 Percent Public

From an institutional point of view, the report says, the "most outstanding aspect of development banking in Latin America toward the end of 1980 is that the majority of development financing institutions are public": 57 percent of the

banks surveyed were either totally or predominantly public.

The "significant presence" of those banks in the financial systems of the economies of Latin America, according to ALIDE, was demonstrated amply by the public banks' assets accounting for more than 85 percent of the total in the study, while their liabilities represented 95 percent of the total.

the last fiscal year, the World Bank granted \$53 million to Colombia for the construction of 1,400 kilometers of roads so that the rural population could have better access to schools, health facilities and markets.

In Peru, the World Bank has allocated \$58 million to improve the efficiency and security of air services in remote jungle areas. A new airport is to be built and three others are to have major improvements. Total cost of the project is put at \$12.7 million.

Throughout the region, the World Bank aims to help countries on solving some of the main issues that are vital to economic growth and, hopefully, alleviation of the poverty gap. These priorities include energy conservation, agricultural development, the provision of export-oriented industries and mobilization of domestic financial resources.

the Andes. The project involves financing agricultural support services, reorganizing land tenure, constructing and improving roads and potable water supplies and providing schools and primary health-care facilities.

Many of the projects supported by the World Bank are aimed at providing employment opportunities as well as improving the standard of actual living conditions.

This is because it is realized that those for whom the benefits are being provided will not be able to take advantage of them unless they can become a part, however, bumble of the moneyed economy.

Peru Air Services
Development of the urban areas themselves is also given some priority by the World Bank as it is necessary to adjust local infrastructure services as a consequence of urbanization such as the provision of transport services. During

(Continued from Page 11S)

modified and it is now hoped that 45 percent of all gasoline consumption will be replaced by alcohol.

One optimistic factor, which is beginning to pay off in another important area is a leveling off of the region's birth rate. The population explosion of the region during the 1970s seems to be stabilizing as a result of substantial housing projects and increased attention by governments to family planning and social services. Population growth, however, is still high and it is estimated that it will be about 2.3 percent in the mid-1980s.

Latin America, with a population of 360 million, has the highest level of urbanization in any developing area of the world. In 1950, less than half of the population lived in urban areas but by 1980 it was estimated that nearly 60 percent of the people now live in towns and cities. As countries like

Brazil have industrialized, there has been a virtual nonstop migration from the interior and from the northeast part of the country to the three main urban centers of São Paulo, Rio de Janeiro and Brasília.

Fastest Growing City

São Paulo, with a population of around 13 million, has increased threefold since 1950. Mexico City, the fastest growing city in the world, was only 3.6 million in 1950 and now has about 15 million and will be the world's largest city. Between 1950 and 1960 urban growth was, according to the World Bank, mainly the result of frustrated migration from the poorer areas of the region to the urban areas. From 1970 onwards, urban expansion was the result of the urban population growth itself, which exceeded 3 percent in most countries and 4 percent in some.

Today, more than 45 percent of the region's population is under 15 years of age. This has been an impossible task for some countries, such as Brazil and Mexico, to provide enough jobs let alone housing facilities of one kind or another. How to maintain job creation and economic growth are the two main challenges facing the region, says the World Bank.

The magnitude of some of the problems, says the World Bank, have been misunderstood and the complexity of the main issues have made it necessary to proceed slowly. As part of its development support, the World Bank has tended to emphasize the need for the provision of utility services — water, drainage and sanitation as priorities. These have come under the heading of "Urban Development Projects."

One recent example was the Guayaquil project in Ecuador costing a total of \$45.1 million with the World Bank providing \$20 million for improving 10,000 rural families living in the foothills of the Andes. The project involves financing agricultural support services, reorganizing land tenure, constructing and improving roads and potable water supplies and providing schools and primary health-care facilities.

Aid Pipeline: Shrinkage Expected to Reduce Loan Flow

(Continued from Page 11S)

credits from Mexico, Venezuela and Trinidad to finance purchases of oil from these countries.

But for the bigger capital-importing countries, such as Brazil, Mexico, Argentina, Chile and Peru, the outlook for continued high levels of official development assistance was less bright.

These countries have depended in recent years far more on borrowings from the international capital markets through private foreign banks than on the multilateral development banks for financing of their economic growth.

As a result, Brazil's foreign debt claimed to over \$60 billion, Argentina's reached \$34 billion, Chile owes foreign creditors \$14 billion, and Mexico, capitalizing on its oil discoveries, is close to \$50 billion in foreign debt.

Repayment of principal and interest on this debt is costing Latin America about \$35 billion a year

at a time when regional economic growth during 1981 came in a standstill. This compares with an annual average increase of regional gross product of 5.9 percent between 1970-80.

After two decades of impressive growth in primary education, increased life expectancy, extended public water, electricity, transportation services and employment opportunities, despite a 70-percent population increase, Latin America is in recession.

"The situation in the short run is difficult, complex and risky," said Nicolas Ardito Barletta, vice president for Latin America of the World Bank.

Antonio Ortiz Mena, the Mexican president of IDB, told the annual meeting of governors of the regional institution at Cartagena, Colombia, last month, that the situation required increased Latin American exports to industrial countries and "a special effort to maintain an appropriate flow of external financing to the region."

But Beryl W. Sprinkel, Undersecretary of the U.S. Treasury, rejected a Latin American proposal that the IDB's resources, under a

sixth replenishment, be increased between 1983-87 by \$14.3 billion, with 7.5 percent of the fresh capital paid in and the rest as a callable reserve that allows the bank to borrow in capital markets.

The U.S. delegate also proposed phasing out the Fund for Special Operations, which was provided with \$1.75 billion in contributions from the IDB donor countries during the Fifth Replenishment period that ends this year.

As in the case of the World Bank's IDA, where the U.S. has delayed annual payments due on a pledge to provide \$32.4 billion as its share of a \$12-billion funding, the U.S. is in arrears to the IDB's "soft-loan" facility designed to meet the needs of the poorest countries.

Soft-Loan Funds
Mr. Sprinkel presented the Treasury argument that the Reagan administration cannot ask the U.S. Congress for foreign-aid increases when it is cutting back on the federal budget allocations for domestic social programs.

With a reduction of donor-country contributions to the "soft loan"

funds, the poorer countries have to borrow from the higher-interest ordinary capital resources of the multilateral banks. In the case of the World Bank, this not only means that India, Bangladesh and Egypt, for instance, will have to borrow more than before from ordinary capital, but China, which joined the World Bank in 1980, must also be included as an additional borrower.

Unless the World Bank can increase its resources, traditional Latin American borrowers such as Brazil, Mexico, Colombia, and Peru could find it more difficult to hold their place in the bank's lending program.

One way that both the World Bank and IDB management believe that resource requirements can be increased without large inputs from governments is to develop project financing in partnership with private international banks. Under this system, projects prepared under the technical supervision of the experienced development banks are offered to the private banks for "co-financing."

This practice is already producing some favorable results. For instance, in the World Bank's op-

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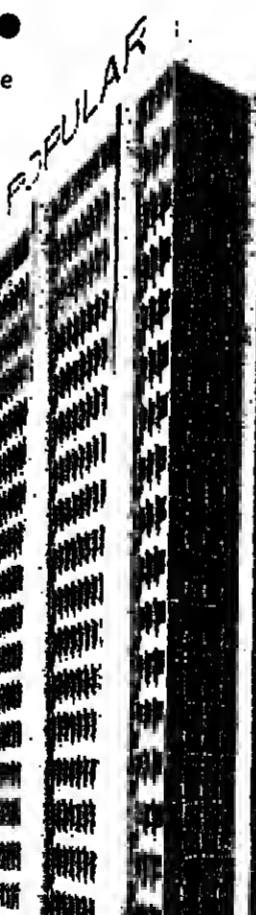
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Private Banking

(Continued from Page 11S)

taking to aid development banks in these efforts. The organization is exploring ways of stimulating private investment, promoting the greater participation of national capital markets and encouraging co-financing efforts through inter-nal and external joint ventures. Where earlier a country financed a project, now typically it obtains part from the IDB and part from an international private partner.

"In the past three years, we've developed a program with the objective of identifying projects that lend themselves to co-financing or joint ventures at the national or regional level," Mr. Garatea stated. "There are many non-traditional agro-industrial projects other than in the metal-mechanical field, some in fishing. There's a great variety of endeavors." Such projects make use of imported capital goods and technology, he stressed.

As a component of this program, he continued, ALIDE's annual assembly provides a forum for the regional development banks to present projects seeking co-financing to the 400 bankers in attendance, many from outside the region. Bilateral interviews on projects, that ALIDE pre-screens, can pave the way for joint financing. Some 98 projects were presented at last year's assembly in Quito, and 68 presentations are scheduled for the current assembly in San Juan.

Projects Evaluation

In addition to measures designed to aid financing, ALIDE is increasingly involved in projects evaluation, recommending technical assistance for projects promoting the selection and transfer of appropriate technologies and encouraging private investment in projects that promote energy conservation and development through the use of alternative sources.

The three most important priorities for development in the region are food, energy and technology," Mr. Garatea explained. "We've seen that the energy sector's requirements are very special and intense. Non-oil producing countries with stable economies have been very badly affected by the need to import oil. Increasing research in non-traditional sources is of fundamental importance to the oil-producing countries as well."

There are a number of projects under way in Latin America to utilize solar energy, he pointed out, with very advanced studies in Brazil and Ecuador. More resources are being committed to biomass fuels, and Brazil's pro-alcohol program experience is being transmitted to Central American countries.

The private sector must participate more in these projects, Mr. Garatea said. "They've had a preference for solar projects, which have more immediate results," he added.

DEVELOPMENT BANKING IN LATIN AMERICA

Puerto Rico: Host to Latin Bankers

By Linda Bernier

TODAY'S Puerto Rico offers the visitor far more than hospitable people, beautiful beaches, a warm climate and sophisticated tourist facilities. Economic development has changed the face of the island — from a rather sleepy, sun-filled, agriculture-based economy to a bustling gateway to the business world of Latin America and the Caribbean.

The cornerstone of economic change on the island has been the Economic Development Administration, known as Fomento, which was established in 1950. Over the years, Fomento has encouraged industrialization, first by making use of cheap labor and thus emphasizing such labor-intensive industries as textiles and apparel.

Since about 1970, however, in order to improve wages and opportunities for an increasingly skilled labor force, there has been a shift to encourage the development of more capital-intensive industries such as pharmaceuticals and electro-

Pharmaceutical Bases

Almost every pharmaceutical firm in the U.S. and many from other countries have a base of operations in Puerto Rico, bringing thousands of jobs and pumping substantial revenue into the economy.

Investment from the U.S. mainland — about 63 percent of Puerto Rico's total investment — and from other countries — about 7 percent — is what has enabled Puerto Rico to develop so dramatically.

And what has made Puerto Rico so attractive to the U.S. and foreign investor is a variety of factors, among the most important perhaps its special relationship with the U.S. as a territorial possession.

This means that although Puerto Ricans do not vote in U.S. elections nor pay U.S. federal income taxes, they are U.S. citizens and use the U.S. mails, currency, Social Security and welfare systems. For the investor this means duty-free access to the U.S. market, no exchange risk and a completely bilingual — Spanish-English — and highly literate culture.

Technical and technological assistance is vital to increase the productivity of the land, Mr. Garatea said. "We still haven't transformed agricultural production; it has been easier to develop industry. The industrialist has more facility to repay." Industry receives 20 percent of the region's total development funding.

"Agricultural production processes are lacking," he said. He felt "longer-term financing, coupled with adequate price policies in many countries and improved systems of commercialization" was one solution. "A farmer does not need subsidized financing for self-development," he affirmed. From the socio-economic view, both agriculture and industrial development are important, he noted.

ALIDE's adjustment to new development demands has proceeded smoothly. "Perhaps because of the association's structure — each country has two votes — there are absolutely no political problems at the banking level," the secretary general said. "Those who established the organization were very wise."

In addition Puerto Rico offers a highly skilled labor force, well-developed industry services, a prime location as a sophisticated banking and financial sector.

The government of Puerto Rico has further increased the island's investment appeal by providing an attractive tax incentive program.

The major stimulus of private investment in the manufacturing sector in recent years has been the Industrial Incentives Act of 1978. It provides exemptions from corporate income taxes and property tax of up to 90 percent, depending on the period of investment and the location of the plant.

A 10-year extension, after the initial 20-to-25-year investment, is offered with exemptions ranging from 35 percent to 50 percent, again depending on location.

Also offered are production worker payroll deductions, which reward high wage and employment operations, deductions of the first \$100,000 of profit, reduced tollgate taxes, a 100-percent exemption from municipal taxes and special incentives for investors in the hotel, service, textile, apparel and leather industries.

To further encourage the development of Puerto Rico as a base for Latin American business operations, the government, in 1980, embarked on a 10-year program to create a free-trade zone on the island. With government investment expected to reach \$150 million to \$200 million, plans include an international trade center and the development of a 25-acre tract of land in the San Juan metropolitan area.

In addition to continuing the development of a permanent industrial base and increasing its integration with more consumer goods, what Puerto Rican Authorities are looking for in the future is investment in high technology, agriculture and such services as tourism, banking and finance, insurance, trade and commerce.

For the foreign investor, said an official of a U.S. investment-banking firm with operations on the island, "Puerto Rico, with its location, bilingualism, sophisticated management and financial services, could be a jumping-off point for business operations in Latin America."

IDB '81 Loans Set a Growth Record

LAST YEAR, one of the most important aid organizations to Latin America came of age — the Inter-American Development Bank. During its 22nd year of financial operations in 1981, it set a new record of loans for the region — \$2,493 billion, which was 8 percent more than in 1980. This brought the total amount of loans made by the bank, since its formation, to more than \$20 billion.

The IDB has been one of the principal sources of funds for development along with the World Bank and the International Development Association. The IDB was specifically created following a change in United States policy toward the region in 1958. There had been a period of increasing tension between North and South America and President John F. Kennedy's "alliance for progress." The fund brought in some \$252

million in contributions, which were used for financing the improvement of basic services — potable water, housing, and education projects for low-income groups in the region. Other Latin American countries then took the lead from the United States and began to establish other funds.

In 1971, Antonio Ortiz Mena, of Mexico, was appointed president, and brought about a remarkable expansion of the bank's activities during the following decade. Canada joined the bank in the following year and today's member countries exceed 40. Since the inception of the bank, the population of the region has increased by well over two-thirds to a present-day level of 360 million. During the same period, loans in the first of operation amounted to \$295 million rising to a record \$2,493 billion last year.

— MICHAEL FRENCHMAN

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Polo Petroquímico: a new industrial reality

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Desenbanco has been supportive of Polo Petroquímico of Camaçari since its inception. Total investments of more than 60 million dollars have provided 50 thousand new employment opportunities within this industry.

Desenbanco's financial support of the Copper Metallurgy Project has facilitated the establishment of ancillary industries associated with Polo Petroquímico.

More alimentation, more development.

Desenbanco has sponsored an unprecedented programme, designed to broaden the food commodities market in Bahia by setting up a group of companies under the leadership of

Programs with a \$500,000 ceiling succeed in bringing tangible progress to cooperatives, associations and individuals

The Small Scale

By Todd Martin

IN the ever-optimistic ocean of aid programs to underdeveloped countries, the theory prevails in some circles that a man — given the right equipment, training and financing — can eat the sharks.

The Inter-American Development Bank, which funnels rich-nation financing to Latin America, has just such a project operating on the Guyana coast, thanks in funds made available by the Swiss Development Fund for Latin America.

Suspicion of Change

But raising production is not enough, according to the bank's research. Farmers are suspicious of change, lack knowledge, technology and resources. The Andean Indian plows the side of a mountain he can hardly stand on, ignoring crumbling stone terraces above him, built by his ancestors nearly 400 years ago to create productive flat fields.

Bad transportation, lack of refrigeration, even a lack of water allows food to spoil before it can reach someone to eat it. Hence the importance of that back-up diesel to insure ice production for those Guyana fishermen. Little things, and the IDB's small-loan program should help.

Unfinished Roads

The point is exaggerated; the money is intended also to make loans available for outboard motors, cordage and twine and a back-up diesel generator to insure ice production in an area with a shaky electrical supply.

But Latin America has traditionally been a land of unfinished roads, bridges halfway built, money — not wasted, but siphoned off before it could accomplish what well-intended benefactors wanted it to do. The sharks are ever active, the bite is always a threat.

When and, if the Guyana shark fishermen exchange their paddles for outboard motors and their ice supply is secured, their per capita income is expected to nearly double, more food will be on dinner tables all over the country and the Greater Georgetown Fisherman's Cooperative Society will have 40 years, with a 10-year grace period, to pay off the loan and a 1 percent commission.

The Inter-American Development Bank has, since its original capitalization in 1960, approved a total investment of nearly \$18 billion in projects big and small but is currently trying to focus half of its funding down to credit for people who would not normally qualify for credit in programs that will create jobs or immediately raise the incomes of the beneficiaries during the first year of the project.

A Beekeeper's Rise

A surprisingly small loan can put a man on his feet. One IDB publication tells of 20-year-old Rafael Falas, who got a \$1,200 loan to set himself up as a beekeeper in Costa Rica. He is able to support his family, has been able to buy new equipment and increase production — all accomplished within a year. He is also able to pay off the loan. He sells his honey and wax.

A graph in the bank's 1981 annual report shows that the 43 member countries have seen fit to concentrate a huge chunk of the investment pie on agriculture and fisheries. Food is a primary problem in Latin America and it always has been.

That chunk amounts to 23.9 percent. By contrast, only 2.8 percent in loans has been distributed to urban development projects, in spite of an enormous movement of the rural population to the cities.

This concern seems justified in an area of the world where an Andean Indian, for example, depends on the guinea pig as his largest source of animal protein. Further north, disease has taken such a toll of larger livestock that farmers just gave up.

Several years ago, the IDB granted a \$35-million

loan in Mexico as part of a campaign to eliminate tick-borne cattle disease. The money financed regional dipping facilities available to 175,000 farming families and made cattle raising a much less risky activity. The IDB says it provides 90 percent of the financing from external sources for animal health programs in Latin America.

Suspicion of Change

But raising production is not enough, according to the bank's research. Farmers are suspicious of change, lack knowledge, technology and resources. The Andean Indian plows the side of a mountain he can hardly stand on, ignoring crumbling stone terraces above him, built by his ancestors nearly 400 years ago to create productive flat fields.

Bad transportation, lack of refrigeration, even a lack of water allows food to spoil before it can reach someone to eat it. Hence the importance of that back-up diesel to insure ice production for those Guyana fishermen. Little things, and the IDB's small-loan program should help.

A bit of education can go a long way. Guatemalan sharecropper Cesar Franco, according to a bank publication, was out getting the increased yields from his tomato and onion harvest that the experts expected, in spite of an IDB-financed irrigation project. So a second project was financed to send the experts into the fields to show Cesar Franco how to change the direction of his rows slightly to insure a better flow of irrigation water.

The experts also told him about fertilizers, seed varieties and pesticides. As a result he had such a good crop in one year that he was able to buy the land he had been working on shares.

That is the kind of success story the bank likes to report, and if there are enough of them, these successes can influence even the largest problem of the area, the demographic one.

Influx to Cities

High birth rates and lack of farming success has led to the massive population influx to urban areas, where there are no jobs either. Farming successes can not only provide a livelihood back on the farm but also create more jobs in the city. Latin American tanners, for example, already employ an estimated 50,000 workers; 200,000 work in the region's shoe industry. Livestock health programs like the one in Mexico could help at both ends of the demographic road, in addition to adequately feeding the cities.

Still, the vast majority of Latin America's poor live in rural areas where the small-loan program tries to reach them through 29 projects in 15 countries.

The member countries that make up the bank's organization — 27 regional members in the Western Hemisphere and 16 non-regional members in Europe, Asia and the Middle East see the small-loan approach as at least half the answer to the problem.

The problem, of course, is how best to develop trade. As a bank fact sheet puts it: "For European countries and for Israel and Japan, Latin America has become an important export market and investment partner, as well as a source of many commodities and resources needed by their economies. Conversely, for Latin America, Europe and Japan represent a market second only to the United States in size, as well as a major source of development capital and technology."

How to effect the sea change that will make this ideal become working truth may just depend upon that shark fisherman in his outboard-motor-powered canoe off the coast of Guyana, and others like him — can they catch the sharks and freeze them so that people can eat?

Desenbanco has been, over the last three years, the main financial agent of development in Bahia - presently regarded the most progressist state of the North/North East region of Brazil. Desenbanco has also played an active role in all productive sectors of the baian economy (operating surplus in the fiscal year ending March 1982, attained the impressive figure of 500 million dollars).

Desenbanco's capital investment programme ranges from the financing of small business to the funding of vital state projects such as: Pôlo Petroquímico in Camaçari, the Copper Metallurgy and the metalmechanical industry.

Within its operational framework, this institution has been instrumental in several economical sectors including food production and distribution, electrical energy, agro-industry, basic sanitation services, reforestation programmes and the all - important tourist industry.

The channelling of investment funds from BNDE - National Bank of Economic Development, BNH - National Housing Bank, Central Bank and other financial institutions and the provision of its own capital has, over the past three years, consolidated in a leading position within the framework of the expansion programme engineered and

sponsored by Governo Antônio Carlos Magalhães. As a result, Desenbanco has become a paramount force in banking circles within the nation.

Polo Petroquímico: a new industrial reality

The Pôlo Petroquímico currently represents the backbone of the industrial sector of Bahia, providing half of the actual demand of raw materials in the Brazilian light chemical industry.

Desenbanco has been supportive of Pôlo Petroquímico of Camaçari since its inception. Total investments of more than 60 million dollars have provided 50 thousand new employment opportunities within this industry.

Desenbanco's financial support of the Copper Metallurgy Project has facilitated the establishment of ancillary industries associated with Pôlo Petroquímico.

More alimentation, more development.

Desenbanco has sponsored an unprecedented programme, designed to broaden the food commodities market in Bahia by setting up a group of companies under the leadership of

Propar - Promocões e Participações da Bahia S/A. The Desenbanco System is formed by Sementes Formoso, which produces, selects and trades in seeds of quality; Alimenta, which grows beans in previously uncultivated areas in Médio São Francisco; Frisuba, the most modern cold - storage plant in the North East region, responsible for the systematization of slaughter and for the supplying of fresh meat in Salvador and the main cities of the interior; Usina Aliança which has been reactivated and is now producing sugar; and EBAL - Empresa Baiana de Alimentos, which markets all surplus production at reasonable prices lower than market cost, by means of the Government programme "Cesta do Povo".

Through the expertise and dedication of Desenbanco, today, Bahia can be seen as a boom - state, racing ahead in the development and industrialization of its natural resources.

Desenbanco

Banco de Desenvolvimento do Estado da Bahia S.A.
Av. Magalhães Neto - Edif. Desenbanco - CEP: 40.000

Phone: (071) 231-2322 - Telex: (071) 1665 - Salvador - Bahia - Brasil

BAHIA
ANTÔNIO CARLOS MAGALHÃES

Bahia: the conquest of development.

BUSINESS NEWS BRIEFS

Compiled From Agency Dispatches

Commerzbank Calls Dividend Likely

FRANKFURT — Commerzbank said Friday that it is optimistic that it can resume a dividend payment on 1982 results after two years of omission.

The management board chairman, Walter Seipp, said at the annual meeting that operating profit before costs on trading for the bank's account in the first quarter totaled 24.3 million Deutsche marks, up 25 percent from last year's quarterly average.

Because of the recent decline in West German interest rates, Commerzbank is again breaking even on the 20.4 billion DM of long- and medium-term fixed-interest loans it had on its books as of Jan. 1, Mr. Seipp said. In March, he said, the bank was still taking a loss on these loans, which it had to finance with short-term funds.

AEG Won't Comment on Loss Report

FRANKFURT — AEG-Telefunken has no immediate comment on a published report that the electronics company expects an operating loss this year of 450 million to 490 million Deutsche marks, a spokesman for the company said Friday.

The report in the investment newsletter Platow Brief, quoted a usually reliable source as saying the company foresees an improvement from the 650-million-DM operating loss last year.

The report said that the company is asking its banks, which in 1979 obtained half of AEG's shares, to agree to an increase in capital. The newsletter also said the banks have already agreed to forgo repayment of 300 million DM due this year. The banks last year waived 240 million DM of repayments. Banking sources said the banks are divided over AEG's requests for new aid.

Power of Canada Sees Lower Profit

MONTREAL — Power Corp. of Canada, reporting a 67-percent drop in first quarter profit, said Friday that it expects earnings for the full year to be slightly lower than 1981 results. For 1981, Power reported operating earnings of 87.8 million Canadian dollars (\$71.9 million), or \$4.11 dollars a share.

The company's chairman, Paul G. Desmarais, said at the annual meeting that Power's share of its Investors Group unit's first quarter earnings fell to 4.9 million dollars from 14.7 million a year before. He cited lower earnings from Investors Group's Great West Life affiliate.

Deutsche BP to Close a Refinery

HAMBURG — Deutsche BP, a subsidiary of British Petroleum, said it is closing its oil refinery at Huenxe, near Esen, which has annual capacity of six million metric tons.

The move is part of BP's plan to reduce its annual capacity in West Germany to around 14 million tons by the end of 1982 from 21 million at the beginning of 1981, the company said. Deutsche BP said production of petrochemical products and bitumen at the plant will continue after the refinery's closure. About 450 workers will lose their jobs, the company said.

Control Data Receives TI Contract

DALLAS — Control Data has agreed to provide a series of computer-based education material for a Texas Instruments home computer.

The agreement covers 430 programs in 108 packages developed for elementary and secondary schools, Texas Instruments said Thursday. The company said it will sell disks using the material in the United States and selected overseas markets, beginning in the fourth quarter.

Executives Say OPEC Is Holding Price Line

By Robert Burns
The Associated Press

NEW YORK — A growing number of oil executives say OPEC has succeeded in hastening the end of the oil glut and halting the decline in prices.

William T. Tavoulareas, president of Mobil, said Thursday that OPEC's decision in March to limit its daily production to 17.5 million barrels — a cut of about one million barrels a day — has turned the oil market around. When OPEC announced that decision, many observers were predicting a plunge in prices, and some suggested that the cartel might fall apart as members undercut each other to attract customers.

But Mr. Tavoulareas told stockholders at Mobil's annual meeting in Orlando, Fla., "OPEC's recent production cutbacks seem to have had an impact. The spot market has begun to firm, and later this year OPEC may even be called upon to increase output in order to keep prices from exceeding previous highs."

In London, Peter Walters, president of British Petroleum, said Thursday that conditions in the oil market suggest "there are good prospects" that prices have stabilized.

Earlier this week, George Keller, chairman of Standard Oil of California, said he foresaw a immediate round in prices as demand for oil products increases. Mr. Keller's comments were based on an analysis by Social economists, who pre-

dicted that OPEC's official prices will hold.

Some economists and oil industry analysts, however, believe the recent increase in the price of oil on the spot, or noncontract, market is temporary. They remain unconvinced that OPEC will resist pressure to cut prices.

Many of the big oil companies, including Mobil and California Standard, suffered huge drops to first quarter profit as a result of the oil glut and steep declines in prices for petroleum products. Mobil's profit fell 49 percent and SoCal's dropped 65 percent.

It is in those companies' financial interest to see prices for refined products rise. If product prices again tumble as they did earlier this year, the big oil companies will again suffer major declines in earnings.

Social economists, in their new analysis, said the oversupply of crude that depressed prices earlier this year should be gone by July 1. Afterward, OPEC production is likely to increase significantly, they said.

The report, to be considered next week, foresees national product growth of the seven major countries slowing to 0.8 percent from about 1.2 percent last year.

The sources said the report forecasts economic growth will pick up in 1983 to 2.5 percent as interest rates in the seven countries decline and industrial investment accelerates.

The report will be presented next week to the 18th session of the IMF's internal committee, which shapes policy for the Washington-based lending agency. The 22-member committee represents all 146 IMF member countries.

Also sure to be a major topic next week, the sources said, was the effect on the other major countries of record U.S. budget deficits and high U.S. interest rates.

The high rates, which have contributed to the worldwide economic recession and high unemployment, have been criticized in Europe as preventing new growth.

They were the target of attacks at the meeting of the IMF and World Bank last October in Washington.

The IMF's view of slowing growth this year is generally in line with a recent report by the Organization for Economic Cooperation and Development, which forecast that growth of its 24 member countries would remain low in 1982 and in most of 1983, with unemployment rising to new heights before tapering off as investment picks up.

The monetary sources said that the rigid anti-inflation policies of most industrialized countries appeared to be working, helping

to stabilize inflation rates or to slow them down.

According to extracts of the IMF's report quoted by the sources, the increase in U.S. consumer prices should slow to an annual rate of 6.1 percent next year from an expected 7.2 percent in 1982 and 9.5 percent last year.

The sources said the report forecast that the U.S. gross national product would grow 1.8 percent to volume next year after declining one percent in 1982.

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For Algerians, Path to Socialism Takes Turn Toward Pragmatism

By Pranay B. Gupta
New York Times Service

ALGIERS — Two decades after Algeria embarked on a path of Socialist development following its independence from France, its leaders are acknowledging their economic mistakes and moving to liberalize their system.

"We admit that, like many other people who have passionately pursued economic growth, we have made mistakes in our development," said Col. Siham Belkaiem, a close aide to President Bendjedid Chadli and Chairman of the Foreign Relations Committee of the ruling National Liberation Front.

"Our desire now is to modify and improve our policies and be in better control of our development," he added. "We are not rigid, but flexible; and we learn from whatever mistakes we may have made."

President Bendjedid, who has just completed three years in off-

ice, has moved steadily to break up the 100 huge state organizations that control the production and distribution of virtually all goods in this country of 21 million people.

The 1980-84 plan has been overhauled to emphasize the streamlining of projects already decided upon, and new projects have been generally postponed. In a recent speech, the 52-year-old leader said that Algeria's small but energetic private sector would be encouraged to expand in the retail, housing and tourism industries, among others.

"We want a nonexploitative private sector," President Bendjedid has said.

The government is also moving to establish more joint ventures with foreign companies. Western businesses are expected to be given tax holidays to encourage them to invest in construction, goods industries, housing and electronics.

The administration's investment code is being simplified. "We rec-

ognize that it has to be done to simplify our regulations and to improve our relations with foreign partners," said Abes Aberkane, the chief counselor in the Ministry of Planning.

In interviews in this capital city the other day, both Mr. Aberkane and Mohammed Salah Belkaiem, the director general for economic coordination in the planning ministry, said that the government is decentralizing the economic system to improve management.

"We are, for the first time, insti-

tuting the concepts of individual responsibility for production — and we are offering such incentives for better production as cash bonuses," Mr. Aberkane said.



Bendjedid Chadli

ture is still the official doctrine of the National Liberation Front, the only political party permitted in this country. Official talk is still of Socialism, although official policy is edging cautiously toward a Hungarian-style system of monitored free enterprise. The catchword these days in Algeria is "pragmatism."

Thus, the state-run energy company, Sonatrach, which has 100,000 employees, was divided recently into seven autonomous units for better efficiency. Sonatrach, the national truck, tractor and automobile monopoly, which has 50,000 employees, was broken up three months ago into three autonomous concerns.

Moreover, the Bendjedid Government has recognized that the green northern belt of Algeria suffers from overpopulation because of the concentration of industry. An effort is under way, Mr. Belkaiem said, to move industrial plants to rural areas.

Farmers — who have suffered

under state-run collectives — are being given more credit and encouraged to till small plots that they could eventually own. A new agricultural bank has been established at Blida. Steps are being taken to break up the 2,000 "self-managed" state farms into several thousand smaller units.

Algeria has suffered from previous agricultural policies that emphasized large-scale production. Once a net food exporter, the country now imports more than 60 percent of its food.

Algerian officials as well as Western diplomats say that 1982 will be a critical year in this country's ambitious economic development plan.

Barlow Rand: Balancing Business and Politics

(Continued From Page 15)

and German prisoner-of-war camps followed.

He moved from an accounting firm to the company he now heads in 1963 and was then apparently groomed for the succession by C.S. Barlow, universally known as Pumch, who started the transformation of a relatively obscure family concern into a major industrial group.

In the boom period just ended, Barlow Rand would have liked to have expanded overseas but was hampered by South Africa's rigid exchange controls, which are eased only for deals that have a potential value for the armed forces or acquisitions that promise to pay off in increased exports. The group used its own shares, which are traded in London and on several Western European markets, to finance its acquisition of the dealership for Hyster forklifts in Britain, and then used its profits from

British company to acquire the Hyster dealership for the southeastern United States.

But this is a painfully slow way to diversify geographically and the group's moves to expand, as well as its current assets, remain closely tied to South Africa. This year is going to be a hard one, Mr. Rosenthal acknowledged, especially for the group's gold and ferro-alloys divisions. "We're sort of a microcosm of the total economy," he said, "so I see us as having a difficult year."

Poised for Growth?

Recovery for Barlow Rand and South Africa generally, he predicted, will have to wait for recovery in the United States and a drop in U.S. interest rates, which would help resuscitate the demand for gold.

"When gold has recovered and the interest rate has come down, I

would say we're poised for further considerable growth in this country," he said. "We've got a great untrained labor force, which can only, once we've trained them, be very productive. So the only reservations one has are about the course of the political side and how we get to the stage where we give the recognition that is required, for both political and economic, to the black people. There can't be any other reservation."

When the question was raised as to how much recognition black people require on the political side, Mr. Rosenthal interrupted himself before framing an answer that satisfied him.

"Very few liberals want to face a situation where there's an immediate equality," he said, "and I don't believe it's necessary. I'm a great believer in evolutionary stages. But there's got to be movement. They've got to see it."

New York Times Service

New York Starts Stock Index Futures Trading

NEW YORK — A third exchange in the United States, the New York Futures Exchange, has opened for trading stock index futures, which might be called the market's purest play.

"It's the entire Big Board market of 1,525 common stocks in one decision — to buy or to sell," John M. Blin, NYFE senior vice president, said Thursday as the New York exchange joined the Kansas City Board of Trade and the Chicago Mercantile Exchange in offering futures contracts linked to stock indexes.

At the NYFE, each futures contract is based on the New York Stock Exchange's composite index and is an obligation to buy or sell based on the value at a future date. The dollar value of a single futures contract is determined by multiplying the number of the composite index by \$500.

"Most of the activity came from traders and other professionals," Mr. Blin said, though he added that there was also some interest by customers for retail houses.

\$3,500 Deposit

Asked if a futures market on Wall Street affect prices on the Big Board itself, Mr. Blin said, "I don't think so, although it's too early to tell ... What you're getting in-

ECC Panel Backs Extending Cuts In Steel Output

Reuters

VENICE — A consultative committee of the European Coal and Steel Community has voted to extend mandatory steel output cuts for 18 months, officials said Friday. Without an extension, the cuts would expire July 1.

Etienne Davignon, the European Economic Community industry commissioner, told reporters that he was satisfied with the decision, which must now be approved by a ministerial council session at the end of May.

He said there was still uncertainty about whether the output cuts would be extended by 12 or 18 months. At a meeting Tuesday, industry ministers from EEC countries were divided on the duration.

The cuts were first imposed in October 1980, to deal with surplus production and capacity on the European steel market.

Mr. Davignon ruled out imposing binding minimum prices for steel but said the commission would consult with producers and consumers in an effort to keep prices steady in real terms.

Steelmakers that have already satisfied EEC restructuring requirements might receive special treatment in the setting of future production quotas, Mr. Davignon said. He did not elaborate.

stead is greater liquidity for the market."

A person speculating on future price movement in the market needed to put down \$3,500, or slightly more than 10 percent of the contract's value. That's called a "good-faith deposit." The one-time commission for each contract is estimated to range from \$50 to \$70 at brokerage firms.

The speculator's chief risk is that his forecast of the future market trend may be wrong. But there is also a potential risk for the speculator in terms of leverage.

If, for example, the Big Board index drops to 67, the speculator

who bought the contract at 68 will have lost \$500 of his original stake. He must deposit this sum with his broker the next day in order to maintain his commitment. If no deposit is made, the customer is sold out and gets \$3,000 back.

"In contrast to options, where the maximum possible loss is the premium paid," said William E. Byers, director of commodity research at Bear, Stearns & Co., "the risk of loss in futures contracts is not limited to the initial deposit. This is because futures confer an obligation to perform, while options grant only a right."

A more conservative way to play

stock index futures is through hedging. Futures contracts, for example, can be sold to offset the effect of a general market decline on an investor's existing portfolio.

Additionally, if the holder of a contract also owns some stock, a broker may decide that the customer qualifies for a "hedge margin," calling for an initial good-faith deposit of only \$1,500. Institutional investors owning security portfolios, as well as block traders, risk arbitrageurs and underwriters of new equity issues, are expected to avail themselves of hedging opportunities.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Canada

Power Corp. of Canada	1st Quarter, 1982	1982	1981
Profits	6.63	6.63	20.19

United States

Travelers Corp.	1st Quarter, 1982	1982	1981
Revenue	2,000.0	2,400.0	—
Profits	66.6	83.9	97.8
Per Share	0.80	0.98	1.08

West Germany

Continental Gummi-Werke AG	Year	1981	1980
Revenue	3,220.0	3,160.0	—

European Gold Markets

London	Paris (22.5kt)	Zurich	Frankfurt
London	Paris	Zurich	Frankfurt
Official fixing for London, Paris and Luxembourg	Official fixing for Paris, Zurich, U.S. dollars per ounce.	Official fixing for London, Paris and Luxembourg	Official fixing for Paris, Zurich, U.S. dollars per ounce.

May 7, 1982

A.M. P.M. M.C.

330 10,000/12,000	26,000/30,000	—	—
350 12,500/15,500	32,500/35,500	32,500/35,500	32,500/35,500
370 14,000/20,000	34,500/40,000	34,500/40,000	34,500/40,000
390 15,000/20,000	35,000/40,000	35,000/40,000	35,000/40,000
410 —	35,000/40,000	35,000/40,000	35,000/40,000

Gold 32,400-32,500

Valeurs White Weld S.A.

L. Quai du Mont-Blanc

1211 Geneva 1, Switzerland

Tel. 31 02 51 - Telex. 28 305

Gold Options (prices in \$/oz.)

Prices	May	Aug.	Nov.	
330	10,000/12,000	26,000/30,000	—	—
350	12,500/15,500	32,500/35,500	32,500/35,500	32,500/35,500
370	14,000/20,000	34,500/40,000	34,500/40,000	34,500/40,000
390	15,000/20,000	35,000/40,000	35,000/40,000	35,000/40,000
410	—	35,000/40,000	35,000/40,000	35,000/40,000

Gold 32,400-32,500

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ACROSS**ACROSS**

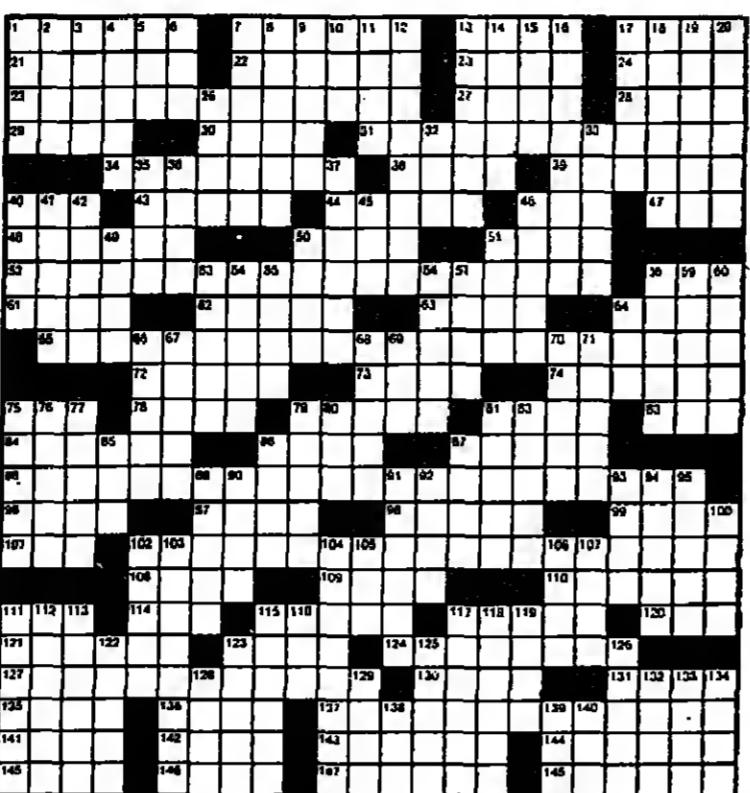
- 1 Robin's companion
7 Flimsy fare for
Fido
13 Friendship
17 Mystery ship
21 One-seeded
fruit
22 "B'm us
'gainst—
Shak.
23 Verily
24 Uproar
25 —
26 See hazard
28 Of soil: Prefix
29 Leander's lover
30 Sacred Egyptian ape
31 6:30-7:30 A.M.
34 Fortune maker
for Thomas Watson
38 Doncile
39 Underhanded
40 Within: Prefix
43 Old English
coats
44 Singer John
46 German article
47 A Chaplin
48 Socialist of a sort
50 River duck
51 — even keel
52 7:30-8:30 A.M.
65 9 A.M.-2 P.M.
72 Ephron et al.
73 Penance seeker
74 Tennis service
75 Tennis stroke
78 Take—the
chic
148 Kitchen tool

ACROSS

- 29 Lizi
81 Valuable tree of India
83 Up to now
84 Words in brief
86 Imperfection
87 British India founder
88 24 P.M.
89 Amass
97 Winglike
98 "Do I
Wait?"

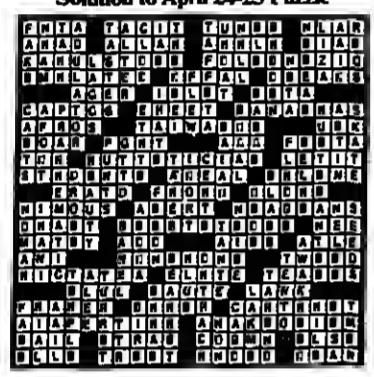
CROSSWORD PUZZLE

Edited by EUGENE T. MALESKA

A Mother's Day By Tap Osborn**DOWN****DOWN****DOWN****DOWN****DOWN**

- 1 Abut
2 Pang
3 Wallace's
"...Documents"
4 Bordeaux wine
5 Memorabilia
6 Fresh
7 Midwest
8 Capital
9 Instances
9 Makka new knot
10 A cont.
11 Miloe creation
12 Handpicked
13 Brando
14 Up
15 (tossed)
16 Emil fumes
17 Like b.
thankless child
18 Modified leaf
19 Regatta crews
19 to the extreme
- 28 Plastered
29 Case Valley,
Canyon
32 Laotian
(singeing game)
33 Athapaskan group
35 Accal
36 Starting's kin
37 Stay
40 Neat
41 Master, in Madras
42 Pinguid
45 Celtic Neptune
46 Bejewel
49 Footnote abbr.
50 Rail
51 Not fooled by
52 Brazilian dance band
54 Old Japanese gold coin
- 55 Smack
56 Sherry city in Spain
57 I use Lat.
58 Kind of blind
59 Tarts
60 Harass
64 "...the giftie
—us"
66 Kind of cake
67 "Theirs
reason why"
68 Haggard
69 Culture style
70 Bursit's cheer
71 Potter's wheel
75 Different
77 Misy
79 Botanist's concern
80 Indian novelist
81 On the ball
82 Minor prophet
- 85 Queen killer
86 Monk's titles
87 Lamb, for skin
88 Gown fabric
89 Alain Robert
90 Wild dogs of Indis
92 Polanski film
93 A tide
94 Kind of grease
95 Monks' mate
100 Skillful
102 Nobel physi-
cist; 1925
103 Tamandou
104 They handle
reinets
105 Beaked warship
106 Satie
107 Favus
- 111 Musical tone
112 Beets
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116 Dance
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128 Reduce
129 Thinner butary
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133 Desecrate
134 Kayo blow
136 Chariot
mover
138 Stars of a cheer
140 Chemical suffix

Solution to April 24-25 Puzzle

**WEATHER**

	HIGH	LOW	HIGH	LOW	HIGH	LOW
ALGARVE	C	F	C	F	C	F
ALGIERS	22	73	14	41	Overcast	LOS ANGELES
AMMAN	23	41	14	41	Overcast	MADRID
ANKARA	24	55	14	49	Fair	MEXICO CITY
ANUCKLAND	25	73	18	58	Overcast	MONTREAL
ANSAK	26	73	14	47	Overcast	NICARAGUA
BEIRUT	27	73	20	57	Overcast	NEW YORK
BELGRADE	28	77	17	43	Overcast	NEW YORK
BANG	29	47	3	37	Fair	NISSARU
BEIRU	30	21	12	54	Fair	NOV DELHI
BERLIN	31	58	20	44	Fair	OSLO
BOSTON	32	73	14	41	Fair	PARIS
BERU	33	24	9	34	Fair	PARIS
BERUSL	34	73	14	41	Fair	PRAGUE
BUCHAREST	35	73	5	41	Cloudy	REYKJAVIK
BRUS	36	24	6	34	Fair	RIO DE JANEIRO
BUCH	37	73	14	41	Fair	SAO PAULO
BUCINOSAIRE	38	24	73	50	Fair	SEUL
CAUEN	39	23	14	41	Fair	SHANGHAI
CAIRN	40	23	73	50	Fair	SINGAPORE
CAPE	41	23	9	46	Fair	SOMALIA
CAPO	42	23	14	41	Fair	SOUTH AFRICA
CHIC	43	24	4	40	Fair	SYDNEY
COPE	44	24	14	41	Fair	TAIPEI
COSTY	45	24	73	50	Fair	TEL AVIV
DUBLIN	46	24	73	50	Fair	TUNIS
DUAL	47	24	73	50	Fair	VENICE
EDIN/	48	24	14	41	Fair	VIENNA
FLOR	49	24	73	50	Fair	WAWAW
GRENVA	50	11	1	24	Fair	ZURICH
HELSINKI	51	21	9	46	Fair	
HONG KONG	52	21	73	50	Fair	
HOUSTON	53	24	73	50	Fair	
ISTAN	54	24	73	50	Fair	
JERUSALEM	55	24	11	52	Fair	
LAS FALMAS	56	24	14	41	Fair	
LIMA	57	23	73	50	Fair	
LISBON	58	19	73	50	Fair	
LOND	59	19	2	34	Overcast	

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INTERNATIONAL FUNDS

May 7, 1982

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The net



Gaylord Perry sprays champagne on relief pitchers Larry Andersen (left) and Bill Caudill during the postgame celebration of his 300th career victory, a 7-3 triumph over the Yankees.

Perry Celebrates 300th Victory

By Jane Gross
New York Times Service

SEATTLE — As 27,369 satisfied Mariner fans looked on at the Kingdome with certificates proclaiming that "I was in attendance for Gaylord Perry's 300th career victory," baseball's oldest active player guaranteed himself a place in the Hall of Fame with a 7-3 complete-game victory Thursday night over the New York Yankees.

In becoming the 15th player in major league history to win 300 games, and the first since Early Wynn in 1963, the 43-year-old Perry struck out four while giving up nine hits, three of them to Ken Griffey, who had his first home run of the season.

Perry, until now best known as the author of "Me and the Spitter" — An Autobiographical Confession," said he believed this milestone was within reach in 1978 when, as a 40-year-old San Diego Padre, he won 21 games and his second Cy Young award, one in each league. After last season, however, with just three victories to go, the Braves' Perry's sixth team in a 20-year career, released him and he began scrambling for a job.

"I'd have accepted it," Perry said of the possibility that his playing career had ended in 1981. "But I never thought of not getting a chance."

Dan O'Brien, the Mariner president who had been Perry's general manager at Texas, persuaded the reluctant owner and manager here to sign him to a make-good contract last March. "Simply stated, it's a young team and you don't want anyone to get in the way of the young pitchers," O'Brien said. "But looking at the people we had, I didn't see that happening. I saw him as someone with a chance to win 12, maybe 15 games and at the same time get the attention of the public."

Ever since Perry won his 299th game in New York last week, The Kingdom has buzzed with excitement. On Wednesday President Reagan called to offer his good wishes to another "Ancient Mariner," and Perry's older brother, Jim, himself a 215-game winner and now a pitching instructor in the Oakland A's farm system, made a surprise visit to cheer his brother on.

Perry's wife and 19-year-old daughter were also here for the game. His younger children, a son who was playing first base for his own baseball team,

and two daughters with dates for their high school prom, remained at the Perry's North Carolina peanut farm watching on cable television.

Perry, unlike others before him who were chasing significant records, seemed to revel in all the attention. "I worked 20 years for this and I'm going to enjoy it," he said. And even before Thursday's attempt, Perry was making plans for his future: first a shot at Walter Johnson's strikeout record of 3,508. Perry has now struck out 3,368 — and eventually a career as a manager or front office executive.

The Mariners, some of them younger than Perry's daughter, have warmed to their crusty new teammate, and all of them clamored for a spot in the lineup and perhaps the history books. Manager Jerry Lachemann used his regular starters, except for Bulling, the young catcher who had caught Perry's last four starts.

The players, who posted signs in the dugout urging a victory for "our man Gaylord," pounced on Doyle Alexander and the staggering Yankees in the third inning. A triple by Jim Moler, a run-scoring single by Terry Bulling, a two-base throwing error by Rick Cerone on Julio Cruz sacrifice bunt and a run-scoring single by Manny Castillo beat Seattle 2-0 lead. Alexander finally retired two batters, but Todd Cruz drove in two runs with a single and Al Cowens another with a triple to give Perry a 5-0 lead.

Four of the runs charged to Alexander, the loser, were unearned. Alexander, who left the game in the fourth inning for Rudy May, had been the Yankee starter last week when Perry won his 299th game with Rich Gossage; the loser.

Alexander cracked a bone in his pitching hand by punching the dugout wall after the Mariners scored their five runs in the third inning. He is expected to miss six weeks and will be replaced in the rotation by May, leaving the Yankees with only three relievers.

May handled the Mariners nicely Thursday for three innings before giving up two runs in the seventh. Bulling doubled, moved to third on a wild pitch and scored on Castillo's double to left over the head of a leaping Dave Winfield. Bruce Bochte singled to right, scoring Castillo, and was out trying to reach second.

Mayer handled the Mariners nicely Thursday for three innings before giving up two runs in the seventh. Bulling doubled, moved to third on a wild pitch and scored on Castillo's double to left over the head of a leaping Dave Winfield. Bruce Bochte singled to right, scoring Castillo, and was out trying to reach second.

A's Beat Indians for 7th Straight Triumph

From Agency Dispatches

OAKLAND, Calif. — Dwayne Murphy hit a home run, and Beard pitched 2½ innings of hitless relief. Thursday night to lead the Oakland A's to their seventh straight victory, a 4-2 decision over the Cleveland Indians.

Beard came on with two runners aboard in the seventh inning and struck out Andre Thornton to preserve the victory for Steve McCatty (2-1). It was Beard's second win.

Murphy's homer in the eighth, his fifth of the season, ended a streak of 18 consecutive batters ro-

tated by John Denny (2-3). Denny, who pitched the entire game, allowed only three hits and struck out nine.

Cleveland opened a 2-0 lead in the first on a run-scoring single by Dan Meyer and Fielder's choice grounder by Tony Armas.

Rickey Henderson, who stole

BASEBALL ROUNDUP

two bases to bring his total to 28 in 27 games, hit an RBI single in the second inning to give Oakland a 3-0 lead.

The Indians scored their first run in the fourth when Thornton hit his sixth homer, a drive deep into the left field seats. Cleveland added a run in the seventh on an RBI single by Mike Hargrove.

Red Sox 5, Rangers 2

In Arlington, Texas, Tony Perez and Jim Rice each hit home runs, and Dave Stapleton contributed two doubles and scored two runs as Boston beat Texas 5-2, handing the Rangers their 12th consecutive loss over Montreal, a team that has not beaten the Dodger left-hander since July 6, 1979.

Kush Assembles Colts Early To Measure Physical Fitness

Canucks Dump Black Hawks To Reach Stanley Cup Final

By Robert Facher
Washington Post Service

CHICAGO — The Chicago Black Hawks upset Minnesota and St. Louis largely through physical intimidation. That tactic had no effect on the Vancouver Canucks, who battled their way into the first coast-to-coast Stanley Cup final with fight-filled 6-2 victory Thursday night.

The Canucks, losers only twice in their last 22 games, open the best-of-seven series against the New York Islanders Saturday at Nassau Coliseum on Long Island. They finished off the Hawks by a 4-1 margin, following a similar rout of Los Angeles and a three-game sweep of Calgary.

Vancouver led all the way Thursday night after Jim Nill deflected Neil Belland's shot for a power play goal after 2 minutes 40 seconds. The 19,758 fans tried in vain to rally their heroes, but the Canucks goalie, Richard Brodeur, had the answer despite Chicago's 3-2 edge in shots.

Brodeur probably made the biggest save of the game even before Nill scored. Chicago's Denis Savard, the playoffs' leading goal scorer with 11, took the puck away from Lars Lindgren and skated in on a breakaway. Brodeur held his ice and got his left pad on Savard's shot.

"Our goaltending was the differ-

ence for us," said the Canuck coach, Roger Neilson. "Brodeur was just great, he made so many key saves. The one on Savard, that was really a key play."

The fans had no sooner reconciled themselves to Nill's goal than St. Paul, a two-goal scorer, made it 2-0 at 3:48. Chicago's Al Secord was signaled for a delayed penalty and the Hawks seemed to relax,

"Trying to get a guy out of the game like that — that's bush," Smyl said. "We were determined to come right back at them."

When the clubs returned to complete the first period, Tony Esposito replaced Bannerman in goal and gave the Hawks a lift with some big saves. Then, early in the third period, Mulvey sent a shot from the right-wing boards that struck the far post and careened behind Brodeur to make it 3-2.

That goal came on a power play. Wicks having bounced Anders Edmark for tripping. It was a debatable call, considering all Wicks had passed up previously, but Neilson said, "I guess he did bring him down. It wasn't worth raising a towel over."

Less than three minutes later, Darcy Rota, a discarded Black Hawk, cut around defenseman Keith Brown and flipped the puck over the flopping Esposito to provide some breathing space. Later, with the Hawks gambling, Smyl and Ivan Boldirev padded the score.

After Boldirev scored, a towel floated from the stands onto the ice. It was more than a symbolic surrender, since it was here a week ago that Neilson and two players wrapped towels on their stick blades and waved them at referee Bob Myers, earning ejection and \$11,000 in fines.



Darcy Rota rejoices at scoring against the Black Hawks.



Mel Purcell had some difficult moments at Forest Hills.

Kush Assembles Colts Early To Measure Physical Fitness

The Associated Press

OWINGS MILLS, Md. — More than 90 veterans, free agents and newly drafted players were expected this weekend when Frank Kush, the new head coach of the Baltimore Colts, conducts a three-day mini-camp.

"The last thing that concerns me now is the players' skills," Kush said. "There's plenty of time to work on those. What I anxious to see is their attitude and their physical preparation."

Losing Record

"I want to see if they're willing to pay the price that will be required to turn this team around. If not, then the hell with them."

Kush was named to replace Mike McCormick after the National Football League team posted a 1-14 record in 1981, their fourth consecutive losing season.

During the first week of March, all veterans on the team were sent an illustrated booklet describing suggested exercises and drills. Following physical examinations on Friday, the players were to be tested for speed, agility, jumping ability and endurance.

Another physical on Saturday was to be followed by a sprint test and a strength test and a practice session. The camp concludes Sunday with a morning workout.

On Saturday, each player was to run a series of ten 40-yard dashes with only 10 seconds of rest between each dash. Each player would be graded on how far his performance slips from his fastest effort on each of the 10 dashes.

Kush said he would be surprised if as many as 10 players on the

squad retained 70 percent of the optimum time on each run.

"It takes great endurance to do that," he said. "But by the next mini-camp (June 11-13), they should be around there, and by the start of training camp, they should be at 80 percent. Soon after that, they should be at 90."

"I don't expect them to be in the kind of shape they'll be in by the end of training camp. What I do expect is for each player to understand what we want from him and to see the areas in which he must improve before the next mini-camp."

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Art Buchwald**The Airline Price War**

WASHINGTON — The airlines are in one of the most brutal price wars in history. They're all being killed, but no one will surrender.

It's gotten so that when you go to the airport, you never know anymore how much you're going to pay for a trip.

I went to National Airport the other day to take a plane to Miami. The lady wrote out my ticket. "That will be \$50."

"It seems like a lot of money," I said.

"Ah, yes, but it also entitles you to fly on to Karachi for the same price."

"I don't want to go to Karachi," I told her.

"Well, for \$5 more you can go to Hong Kong, and stay at a hotel for three nights."

I was about to pay for the ticket, when I noticed the person at the next counter from another airline put up a sign.

It read, "Fly to Miami with us for \$40 and have the use of a rental car for one week."

I told the lady to forget it, and I got in the other line.

While I was waiting, a man came up to me in a red jacket and whispered, "Can I talk you for a moment?"

"I'll lose my place in line."

"You won't be sorry," he said. "Follow me around the corner." When we got out of sight of the counter, he said, "We'll take you to Miami for \$25 and your family can go for free."

"My wife and children are at home," I said.

"We'll send a limousine for them and hold the plane."

Ballet 'Olympics'

United Press International

WASHINGTON — The Senate passed and sent to the president a bill recognizing Jackson, Miss., as the official U.S. site for the International Ballet Competition. The joint resolution, which passed in the House on March 10, was sponsored by Sen. Thad Cochran, R-Miss., and Rep. Wayne Dowdy, D-Miss. The event, which will take place June 20 through July 4, is known as the Olympics of dance. Representatives from 19 nations have agreed to serve on the jury.



Buchwald

It seemed like a pretty good deal, and I was about to take it, when a very attractive lady in a blue uniform came by and dropped her purse. I picked it up and handed it to her.

"Don't do anything until I talk to you in the bar," she said.

I excused myself from the man in the red jacket and followed her. We found a table and she took my hand in hers.

"I overheard you saying you were going to Miami," she purred.

"Yes," I said, as I nervously looked around.

"Why don't you fly with Snail Darter Airlines?"

"How much is it?" I asked.

"How much would you like to pay?"

"I hadn't thought about it," I admitted. "Would \$15 be enough?"

"We can put you in first class for that. Here's our coupon. Go to our ticket counter and tell them Sally sent you."

"Thanks a lot. Can I pay for the drinks?"

"Of course not! When you fly First Class, they're on the house."

* * *

I picked up my suitcase and started heading for the Snail Darter Airlines counter. It was at the end of the terminal and as I was walking there, a young man, his head shaved, wearing a saffron robe, came up and stuck a carnation in my suit lapel hole.

"I gave to the Hare Krishnas at the office," I told him.

"I'm not a Hare Krishna. I'm marketing vice president of Camelot Airlines. We're willing to make a deal."

"Do you fly to Miami?" I asked.

"Not usually, but in your case we'll make an exception."

"Snail Darter will fly me there for \$15 first class," I warned him.

"He said, 'For \$10 we'll take you there and wait for you until you're ready to come back.'

"First class or tourist?"

"If you hurry, you can sit in the co-pilot's seat!"

Under the circumstances it seemed like the best I could do so I gave him my credit card. He took a computer from underneath his robe and punched out my ticket.

"What about my luggage?" I asked him.

"Don't worry," he said, giving me a smile. "Frank Borman will deliver it to your hotel personally."

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